

**SHEERFRAME**  
Window & Door Systems  
for the World Market  
L.B. Plastics Limited  
Tel: 0773 852311

# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

**CHARTER**  
071 538 8888

FT No. 31,175

Weekend June 16/June 17 1990

D 8523A

## WORLD NEWS

### High Court rejects poll tax appeal

The High Court rejected an appeal by 19 local authorities for judicial review of the decision by Mr Chris Patten, the Environment Secretary, to "cap" their budgets. The decision was welcomed by Mr Patten, who will cite the judgment in his efforts to convince the Prime Minister that new legislation to curb local authority spending will not be necessary. Page 24

**Ernest Saunders in**  
The Guinness trial at Southwark Crown Court in London was halted because Ernest Saunders, the company's former chairman and chief executive, was suffering from a viral throat infection. Mr Justice Henry said he hoped the trial would continue on Monday. Page 6

**ESM help for film makers**  
The Government is to provide around £5m over three years to help British film makers enter European co-production as part of a plan to attract more private investment in the UK film industry. Page 24

**US to help Krasnodar**  
US President George Bush is leading John Sumner, the White House chief of staff, to Soviet leader Mikhail Gorbachev to advise him on how to organise his office. Page 2

**Moderate Russian PM**  
Ivan Silayev, a moderate reformer, became Prime Minister of Russia after defeating President Boris Yeltsin's candidate Mikhail Bocharov. Page 2

**Property returns agreed**  
The East Berlin Government has agreed with Bonn to return property and land in East Germany to dispossessed owners. Page 2

**Sunday trading fine**  
Texas Instruments was fined £7,200 with 50,000 costs by magistrates in Cumbria after being found guilty on nine charges of illegal Sunday trading at its Carlisle store. Page 6

**Canadian crisis**  
A fourth Canadian parliamentarian, Pat Nowlan from Nova Scotia, has resigned from the ruling Conservative Party caucus over his concern that Ottawa was applying pressure to obtain passage of the Meech Lake accord, which recognises Quebec as a distinct society. Page 3

**W Germans foil attacks**  
A number of IRA attacks in West Germany have been foiled. EC security ministers were told at the Trevi security summit in Dublin. Page 3

**Transfusion to go ahead**  
Cypriot doctors are to give a dying child a blood transfusion after a court overruled her parents' religious objections. Health Minister Panikos Papa-georgiou said the blood transfusion would go ahead in an attempt to save the life of two-year-old Stephanie Charalambous. Page 3

**Architects back Prince**  
Architects and property developers backed a call by the Prince of Wales for the creation of "urban villages" by agreeing to adopt the principles laid down in the Prince's book A Vision of Britain. Page 3

**Issues for football fans**  
Football fans will be bussed back to their hotels and camp sites after today's World Cup match between England and Holland. Page 3

**Actor dies**  
Actor Leonard Sachs, host of BBC TV's variety show The Good Old Days, died aged 82. Page 3

**Too much English**  
French President Francois Mitterrand has warned the European Community against the exclusive use of English in some parts of the organisation. Page 3

## BUSINESS SUMMARY

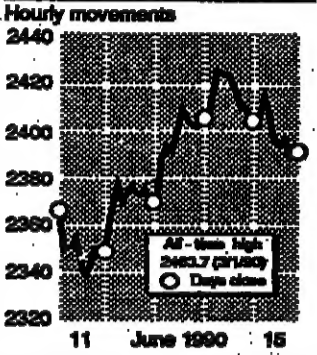
### Visa loses action over dual pricing

Visa International, plastic card payment system, lost a High Court action aimed at blocking UK Government moves to allow retailers to charge higher prices to customers paying by credit card. Page 24

The decision clears the way for the Department of Trade and Industry to proceed to issue the orders allowing dual pricing. This means that cash customers will probably be charged less than credit card customers in some shops by the autumn. Page 24

**DONALD TRUMP**, the embattled New York financier, missed about \$20m (£12m) in interest payments on his publicly traded debt amid signs that he faces deepening financial problems. Page 24

**FT-SE 100 SHARE INDEX**: The index showed a net gain of 25.7 points over the week spurred by a report that the UK Gov-



ernment was planning entry into the exchange rate mechanism of the EMS by September or October. Page 15

**SOVIET UNION** is estimated to have paid about \$50m (£28m) over the last week to UK companies in moves to make good late payments. Page 24

**BRITAIN** is making progress in persuading the European Commission to accept that economic and monetary union need not mean that European Community member states surrender control over their national budgets. Mr Peter Lilley, Financial Secretary to the Treasury, told the Commons. Page 6

**BRITISH COAL** Pension Fund's £1bn bid for Globe Investment Trust has been given the go-ahead by the Office of Fair Trading and the Department of Trade and Industry. Page 10; Lex Page 24

**SAAB-SCANIA**, Swedish automotive and aerospace group, has increased profits after financial items for the first four months of this year by 27 per cent to SKr171m (£79.1m). Turnover rose by 11 per cent to SKr10.1bn against the comparable four months of 1989. Page 12

**TOMKINS**, UK industrial conglomerate, has reached formal agreement on the \$550m (£225m) acquisition of Philips Industries, US industrial group. Page 11

**SOVIET UNION** set 1995 as the target date to make its ruble currency fully convertible on world money markets. Page 12

**LONGHO**, international conglomerate, has embarked on a new legal battle against the Fayed brothers in the long-running feud over Harrods, the Knightsbridge store. Page 6

**SHANGHAI** reform-oriented mayor Zhu Rongji offered to allow foreign banks back into their grand old office buildings on the Bund waterfront as a symbolic example of his dream of rebuilding the city into China's main financial centre. Page 3

**HUNGARY'S** first privatisation - of travel agency Buzs - has been massively over-subscribed. Page 12

**JOHN WADDINGTON**, maker of the football board game Subuteo, said demand for players in Cameroon colours had soared since the side beat Argentina and Romania in the World Cup. Page 3

## Government resumes control of a Bucharest subdued by violence



Air of intimidation: Romanian miners, one armed with a stick, after violent scenes in Bucharest yesterday

## Romanian miners end rampage

By Owen Bennett-Jones in Bucharest

THE ROMANIAN Government was last night re-establishing control over the streets of Bucharest after miners, acting as the regime's vigilantes, went home after a 36-hour rampage through the capital in support of President Ion Iliescu.

Unrelenting violence by the miners has left an atmosphere of intimidation in the city. It has forced anti-government activists and opposition parties into submission.

One eyewitness described Thursday, when the miners randomly beat up hundreds of people, as "the first day of the new dictatorship".

In Paris, Mr Lesco Tokes, the ethnic Hungarian clergyman who was at the centre of Romania's uprising in December, said conditions existed for a second revolution in the Balkan state. Some of the miners had earlier broken an agreement to leave, attacked foreign journalists in University Square and attempted to storm the Inter-continental Hotel. That attack followed complaints from Mr Petre Roman, the Romanian interim Prime Minister, that some journalists had given biased accounts of the anti-government protest and the authorities' response. A government official said last night all the miners had

### Dark days between the wars recalled in Romania

Page 2

departed. A train with some 20 carriages packed with miners from the Jiu Valley in western Romania was seen pulling out of a Bucharest station. Mr Roman claimed that the government had tried, and largely been able, to control the miners. It is becoming increasingly clear that their violent activities were carefully directed. They attacked key buildings such as the party HQ of the two main opposition parties and the offices of Romania Libera, the country's most prominent anti-government newspaper, locations they are unlikely to have known. Some opposition members said they recognised members of the feared Securitate secret police dressed up as miners.

The British Foreign Office called in Romania's envoy in London to protest at violent attacks on the opposition. Charge d'affaires Nick Bujor was told Britain strongly disapproved of the ransacking of opposition leaders' homes and the violence in which five people have died and more than 100 have been injured this week. Britain had particularly protested at the treatment of National Peasants' Party leader Ion Batin, who was briefly seized by 20 miners who ransacked his home in Bucharest on Thursday night, he said. Mr Roman conceded that there had been some "unpleasant incidents". He hoped the miners' departure would put an end to them. Continued on Page 24

## Gracious Lady honours Dragon Lady

DAME Lydia Dunn, Hong Kong's "Dragon Lady", who often spars with Britain's "Iron Lady", Mrs Margaret Thatcher, has been honoured by the Queen.

She is one of six life peers created in the Queen's Birthday Honours list today. Dame Lydia, who was born in 1946, Year of the Dragon, has a tough nature. As a senior member of the colony's executive council, she has spearheaded a largely un-

successful campaign to persuade the British Government to speed up democracy in Hong Kong and grant the territory's residents the right to elect the right to settle in Britain.

Mrs Barbara Castle, the former Labour MP and member of the European Parliament, is also created a baroness. As Employment and Productivity Secretary she assisted the Equal Pay Act 1970 through Parliament.

Industry, business, commerce and the City are well represented in the list. Sir Robert Haslam, chairman of the British Coal Corporation, becomes a peer. Mr Bob Reid, who left Shell UK to become the new chairman of British Telecom, is knighted. He is also given today. So is Mr Allen Sheppard, chairman of Grand Metropolitan, Mr Christopher Tugendhat, chairman of the Civil Aviation Authority, Mr Antony Pilkington, chairman of the government glass company, and Mr John Birkin, chief executive of RTZ.

The arts and entertainment industries also feature among the 986 awards. Mr Jimmy Saville becomes the first disc jockey to be knighted. Sports prize-winning novelists receive awards: Mr Kingsley Amis gets a knighthood, and Ms Anita Brookner a CBE. Mr Peter Ustinov, the actor, is knighted, while a CBE goes to Bernard Levin, the journalist and broadcaster.

Mr Richard Hadlee, the New Zealand Test cricketer, gets a knighthood and Mr Tracy Edwards, skipper of the all-female crew of the Maiden yacht, which recently completed in the Whitbread round-the-world race, gets an MBE. Details, Page 7

## DTI appoints investigators for Atlantic Computers probe

By Richard Waters and David Owen

THE DEPARTMENT of Trade and Industry is to carry out a far-reaching investigation of Atlantic Computers, the computer leasing subsidiary responsible for the collapse of financial services group British & Commonwealth.

The inspectors, Mr James Scott, a partner of accountants Brierley Hymlyn, and Mr Eben Hamilton QC, were appointed yesterday to investigate the collapse of the 1985 Companies Act, giving them wide powers to interrogate witnesses and examine documents.

They will investigate and report on the affairs of both Atlantic Computers itself and Atlantic Computer Systems, BAC called in administrators at Atlantic and wrote off \$550m against its investment in April. The administrators, Mr John Soden and Mr Peter Padmore of Price Waterhouse, subsequently estimated the company's potential liabilities at up to £1m.

The reason for the investigation, which was prompted by information passed to the DTI

### Anything you say may be taken down

Page 10

by Atlantic's administrators, was not disclosed. Section 433 covers cases where there is a suspicion that creditors or shareholders have been threatened, important information has been withheld from shareholders, or there has been other serious misconduct on the part of the directors.

The administrators have also passed information to the Serious Fraud Office although the SFO said yesterday that it had not begun an investigation of its own.

It is thought that one focus of the inspectors' inquiries may be the way in which the group built up a mountain of contingent liabilities through the structuring of many of the leases that it sold. The company would often give lessees the option to walk away from leases before the

end of their term, leaving Atlantic to make good the remaining payments due to the lessor.

By the end of June 1989, according to a provisional and incomplete briefing note prepared by Atlantic's senior management, liabilities related to "walk" exposures had reached \$110.7m.

As part of a recommended solution, management agreed to make a £250m provision. The charge, offset by \$50m of exceptional credits, was to be taken as an exceptional item through the 1989 profit and loss account.

Atlantic's founder and chief executive, Mr John Foulston, died in a car accident in 1987. Other directors whose actions are likely to be the focus of the inspectors' attention include Mr John Gunn and Mr Peter Goldie, the BAC board members directly involved with the company after it was taken over in 1988, and Mr Nick Kennedy Scott, a former Atlantic chairman and BAC board member.

## MARKETS

<b>STERLING</b> New York lunchtime: \$1.7115 London: \$1.7005 (1.7005) DM2.88 (same) FF16.7175 (1.7225) SF2.45 (2.4475) Y250.0 (252.75) £ index 90.5 (same)	<b>DOLLAR</b> New York lunchtime: DM1.8555 FF1.4307 Y153.95 London: DM1.8630 (1.8545) FF1.4300 (1.4275) SF1.435 (1.4345) Y154.15 (154.0) £ index 87.3 (same) Tokyo close: Y154.52 362.0	<b>STOCK INDICES</b> FT-SE 100: 2,392.3 (-10.7) FT Ordinary: 1,925.9 (-2.7) FT-A All-Share: 1,178.39 (-0.4%) New York lunchtime: DJ Ind. Av. 2,821.53 (-6.69) S&P Comp 361.42 (-1.48) Tokyo: Nikkei 32,539.4 (-129.71) LONDON MONEY 3-mo interbank deposit: 14.32% (14.32-14.32) 1-mo long bill futures: 103.2 yield: 8.42%
--	---	---

## CONTENTS

UK defence review	8	Appointments	15	London Options	16-17
Armed forces in the firing line	8	Base Rates	15	Managed Funds	16-17
Editorial Comment	8	Commodities Prices	12	Money Markets	15
Threats to the markets	8	Companies UK	10,11	Recent Issues	7
News in the News	8	FT World Markets	7	Share Information	21-23
Lion Young of Graham	8	Foreign Exchanges	12	Stock Markets	15
Arabs and the sport of kings	9	Gold Markets	12	Bourses	20,21
Heavy going in the racing game	9	Int. Companies	12	SE Dealings	14
Soviet Jews in Israel	9	Interbank News	12	UK News	8
Voting with their feet	9	Leader Page	8	General	4,8
		Letters	9	Employment	24
		Lex	24	Weather	6

UK Stock Market: Paper 0800 420001; FOMEX 0800 420002; Bulletin 0800 420003; UK Company News 0800 420002. Calls charged at 5p/min. Cheap rates, 3p/min. at all other times. To obtain a free Cityline Share or Unit Trust directory, ring 071-425-2123.

Austria: Sch94; Bahrain: Dhs700; Bermuda: \$1.35; Belgium: Bfr55; Canada: C\$1.00; Cyprus: C\$2.00; Denmark: Dkr12.50; Egypt: E£2.25; Finland: Fmk5.50; France: FF7.50; Germany: DM2.00; Greece: Dr100; Hong Kong: H\$9.50; Hungary: Ft100; Iceland: Isl100; India: Rupee; Indonesia: Rp1.00; Ireland: £0.78; Israel: NIS2.00; Italy: Lit1.00; Japan: Yen100; Jordan: Jd1.00; Kuwait: Kwd1.00; Lebanon: L£1.00; Luxembourg: Lfr100; Malaysia: M\$1.00; Malta: M£1.00; Mexico: P\$20.00; Morocco: Mdh1.00; Netherlands: Gld1.00; Norway: Nkr1.00; Philippines: Pso 100; Poland: Zl 100.00; Portugal: Escudo 200.00; Saudi Arabia: R\$1.00; Singapore: S\$1.00; Spain: Ptas100; Sri Lanka: Rs100; Sweden: SKr1.00; Switzerland: Sfr1.00; Taiwan: NT\$100; Thailand: Bht100; Tunisia: Dinar100; Turkey: Liras100; UAE: Dirhams100; USA: \$1.00.

## Food and housing push inflation to 9.7%

By Anthony Robinson

THE GAP between UK inflation and that of its European Community partners widened further last month as higher food, housing and alcohol prices helped push the annual rate of increase in the retail prices index to 9.7 per cent, its highest level since March 1982.

The 0.3 per cent monthly rise over April was higher than expected and badly received in financial markets, where the pound and shares fell.

Higher prices partly reflected the delayed impact of recent Budget increases in alcohol and tobacco duties. But City analysts blamed underlying inflationary pressures on rising incomes and the Government's failure to tighten policy last autumn.

"Retail sales, manufacturing output, imports and money supply all point to buoyancy in the economy. Companies are still able to pass on higher costs without slashing profit margins," said Mr Gwyn Hachos of James Capel's economic research unit. "We now expect RPI to peak at around 10.4 per cent in August."

The Treasury acknowledged that the latest inflationary surge was "unwelcome" but not unexpected. "We are resigned to rotten figures through the summer but expect the pressure to ease in the fourth quarter when, for example, the RPI should fall by 0.5 per cent as last November's mortgage rate drops from the index calculation," a Treasury official said.

The index which excludes mortgage interest payments and the community charge, and which Mrs Margaret Thatcher likes to quote as the real underlying inflation index, showed the sharpest rise in May to an annual 7 per cent from 6.5 per cent in April.

By this measure too the gap widened between UK inflation and the average 3.8 per cent level enjoyed by members of the European exchange rate mechanism. The retail prices index rose to 126.2 (base January 1987=100) in May from 125.1 in April while the tax and price index, which measures the increase in gross taxable income needed to compensate taxpayers for any increase in retail prices, advanced to 119.4 (base January 1987=100) from 118.2. RPI spurs hunt for new index, Page 4; London stocks, Page 15; Lex, Page 24

## Weekend FT



### WHEN FATE CRIED OUT

It was 50 years ago this weekend that General de Gaulle was condemned, in his own words, "to assume the destiny of France." Edward Mortimer reassesses his career Page I

### Finance

Some building society accounts could cost you membership. And eventually the chance of a profit, warns David Barclay Page III

### Perspectives

Christian Tyler takes a look behind the lunatic fringe of the animal rights movement Page VIII

### Wine

Jancis Robinson on bottles for wine botes Page XVI

### Gardening

Robin Lane Fox reports on the growth in designer pots Page XIX

### Travel

Lucia van der Post finds the 'lost' Kalahari Page XX

**MORGAN GRENFELL PEP.**

Morgan Grenfell's new 1990/91 PEP offers:

- Unit Trust Plus Share PEP. Choose from Ten Top UK Companies
- Unit Trust PEP. Choose from Morgan Grenfell UK Tracker, Morgan Grenfell UK Equity Income, Morgan Grenfell Managed Fund
- Lump sum: minimum £300 p.a.; maximum £6,000 p.a.
- Monthly Savings: minimum only £25 per month
- Ideal for investing towards a tax free lump sum, for mortgage repayment, retirement or school fees

Remember, the value of this investment may fluctuate and cannot be guaranteed. For more information call free 0800 282465 or complete the coupon below.

To: Morgan Grenfell Financial Management Ltd., 20 Finsbury Circus, London EC2M 1NB. Please send me full details of Morgan Grenfell's 1990/91 PEP.

Surname (Mr/Mrs/Miss) \_\_\_\_\_

Forenames (in full) \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_

**MORGAN GRENFELL PEP**

Issued by Morgan Grenfell Financial Management Ltd. Member of I.M.R.O.







## INTERNATIONAL NEWS

## Japanese ready to allow banks into stock market

By Stefan Wagstyl in Tokyo

THE Japanese securities industry has conceded defeat in its long-running battle to keep Japanese banks out of securities markets.

Instead, the broking companies will concentrate on trying to make sure the banks' entry into the securities field is as tightly-controlled as possible.

Securities companies have been hinting for some time that they have been moderating their position, following signs that the Japanese Ministry of Finance was preparing to move to pressure for change from banks and institutional investors.

However, the clearest public indication of the change in attitude came yesterday with the publication of a report compiled by a sub-committee of the Securities and Exchange Council, a government advisory body on which the views of securities companies are strongly represented.

The report, "Restructuring Japan's Capital Market: Toward an International Market," proposes reforms to liberalise and internationalise Japan's capital markets and the protect investors.

It said banks could be allowed into the securities field through subsidiaries, which would be separated from the parent company by "fire walls" designed to stop information leaking from the bank to the securities subsidiary and vice versa.

Banks could be allowed to underwrite bonds and equities, sell newly-issued stock and to deal on their own accounts.

But, says the report, they should not be allowed into stockbroking on behalf of clients. This condition recognises the concerns of small and medium-sized broking companies which fear they will be swamped by competition from banks. The report falls short of making firm recommendations, saying that further study was essential, particularly of the safeguards needed to prevent banks' abusing their position and damaging the capital markets.

However, in a key passage, the report says liberalisation, internationalisation and securitisation are forcing change. There is "merit" in allowing banks and securities companies to engage in each other's fields in order to promote competition and new product development as well as harmonising Japan's rules with those of other countries. The authors say that if banks enter into the securities field then securities companies should also be allowed into banking - including foreign exchange, trust banking and lending business.

Officials of the Ministry of Finance said it would take at least two years before the law could be reformed.

## Shanghai mayor offers banks their old premises

By John Elliott in Hong Kong

MR Zhu Rongji, the reform-oriented mayor of Shanghai, yesterday offered to allow foreign banks back into their grand old office buildings on the Bund waterfront as a symbolic example of his dream of rebuilding the city into China's financial centre. The offices were vacated in 1949.

"The Bund used to be the financial centre of Shanghai, and the buildings were designed for banking rather than the government offices that now occupy them. As far as I am concerned I would wish the government departments to move their offices away so as to have them prepared again for banking," explained Mr Zhu. He said he wanted to admit more foreign banks into the city.

But at a meeting with Hong Kong journalists, he added with a laugh that the government departments would want "badly needed compensation" to move. He avoided saying whether his own department would be willing to vacate the former premises of the Hongkong and Shanghai Bank.

Mr Zhu was speaking on the



The Bund, Shanghai. The former Hongkong and Shanghai Bank, now the City Hall, is on the left. The building of the right, with clock tower, is the former Stock Exchange.

last day of a week-long visit to Hong Kong designed to demonstrate that China's economic reforms are continuing, and to attract investment into Shanghai's new \$10bn special economic and industrial zone of Pudong.

He has however failed to persuade generally sceptical foreign bankers that his ideas can be quickly enforced, partly because of general opposition from the Bank of China. He admitted yesterday that the rate of approvals might be

slowed down because a "headache" had been created by too many banks applying to open up in Pudong.

The profits tax rate in Pudong is expected to be 15 per cent compared with a main rate of 50 per cent elsewhere. Bankers have this week told Mr Zhu that it is illogical to have two tax rates in a major business centre such as Shanghai, and they urged him to have the whole city designated a special low tax-rate banking zone.

At present foreign banks do a lot of their Shanghai business through special economic zones in southern China which have the 15 per cent rates.

Four banks have been allowed to stay in Shanghai since the 1949 communist takeover, handling only export business and foreign currency loans. In addition to the Hongkong Bank, they are the Standard Chartered, the Bank of East Asia, and the Singapore-based Overseas Chinese Bank.

## Gold price slide forces Anglo-American to axe 7,800 miners' jobs

By Philip Gawth in Johannesburg

SOUTH African mining group Anglo American said yesterday that cutbacks at its gold mines were likely to involve 7,800 job losses over the next nine months. The announcement confirms that a big retrenchment exercise is under way as the industry feels the squeeze of a falling gold price.

Earlier this week two other mining houses announced they would be losing 1,100 workers. Mr Lionel Hewitt, managing director of the gold and uranium division, said that at the current gold price and operating costs, certain mining areas were incapable of sustaining mining operations at their present levels and steps would be taken over the next nine months to curtail operations. Closure of shafts is not being considered at this stage.

All the retrenchments planned are at the Freegold South region. Freegold, the largest gold mine in the world, produced 108 tons of gold in 1989 - 19 per cent of South Africa's production and 7 per cent of the West's - and employs about 100,000 workers. According to Mr Hewitt, the cutback will see production reduced by less than 1 per cent. The details of

retrenchment will be discussed with union representatives.

Operations at Vaal Reefs No 6 and No 7 shafts will be curtailed together with underground operations at Afrikander Leases, but this will not necessarily lead to job losses.

According to stockbrokers Ed Hern, Rudolph, Freegold's production costs in the quarter to the end of March were \$344 per ounce, not including capital expenditure. This compares with a closing gold price yesterday of \$347.50.

Value Added Tax is to be introduced in South Africa from October next year. The government plans to introduce the tax at a rate lower than the present 13 per cent level of General Sales Tax. The tax is aimed at addressing problems highlighted in the 1988 white paper, namely the need to improve equity and efficiency in the tax system, to make exports more competitive, and to broaden the tax base.

The government intends allowing as few exemptions as possible, offering direct assistance instead to the needy. The draft VAT bill draws heavily on recent experiences in New Zealand and Canada.

## Burma's army leaders seek to keep election victor from power

By Robin Pauley, Asia Editor

BURMA'S ruling dictatorship has made clear that even if it eventually hands over power it will strive to exclude from politics Ms Aung San Suu Kyi, the popular leader of the National League for Democracy which won a landslide victory in the recent elections.

The regime accuses Ms Aung Suu Kyi, the daughter of Burma's leading independence hero, of "foreign links. She is married to Professor Michael Aris, an English don at Oxford University.

The attempt is unlikely to succeed. Ms Aung Suu Kyi is undoubtedly the most important and influential politician in Burma. Her party attracted more than 80 per cent of the vote in the elections. Neither her rural and urban supporters nor the students who demonstrated so forcefully and who were suppressed so brutally in 1988 are like to accept her removal from politics.

Although a number of foreign companies have rescued the military dictatorship during the last year by establishing ventures and joint ventures to inject much-needed foreign exchange, governments continue to withhold vital aid. Japan, the country's most important donor, has made plain that there is no question of resuming aid negotiations before a political settlement in accordance with the will of the Burmese people. The Japanese have made a special issue of Ms Aung Suu Kyi's plight, making clear she must be freed from house arrest and persecution before Tokyo could regard the situation as acceptable.

Burma's pro-government party, humiliated by the opposition landslide in the elections in which the army's plans for getting the "right" result appear to have gone seriously awry, has protested that the National League for Democracy won by fraud.

The complaint, lodged by the National Unity Party (NUP) with the Election Commission,



Aung San Suu Kyi: under house arrest

has added to growing doubts in Rangoon about whether the military government will accept the results and step down. It has said that it would not hand over power before a new constitution was in place, arguing that this could take up to two years. The opposition says it can be done in days.

Diplomats said it was unclear if the NUP complaint was sanctioned by the army. A text of the complaint, which detailed alleged election fraud in several constituencies by an unspecified "major party", has not been carried in the official media. But diplomats said the statement could only refer to the democracy league since it cornered an estimated 80 per cent of the seats.

Attention now focuses on July 20 when Aung San Suu Kyi's one-year house arrest order expires. The authorities must decide whether to renew it or allow it to expire. The army has stopped visits by her husband and two sons from England and if her detention order is extended a strong reaction on the streets of Rangoon cannot be ruled out. Soldiers have reinforced the armed guard around her Rangoon compounds and added sandbags to guard posts on both sides of the road.

## Kenyan bank to sell more stock to public

By Julian Ozanne in Nairobi

KENYA Commercial Bank, the country's largest high street bank, has announced it will sell more shares to the public through a rights issues following a successful partial privatisation two years ago.

Dr Benjamin Kipkorir, executive chairman of KCB, said the bank would restructure its shareholding to increase the public stake from 20 to 30 per cent and decrease government interest from 80 to 70 per cent.

Dr Kipkorir said the move would boost KCB's capital base and support its deposit level of Ksh15bn (£357m) in the face of stiff competition from the other two big commercial banks Barclays and Standard Chartered.

In 1988 KCB carried out its first public flotation, selling 7.5m shares, or 20 per cent of the total. The issue was oversubscribed more than three times. The price of the shares,

sold in 1988 at Ksh20, has risen more than 75 per cent on the Nairobi Stock Exchange.

Last year KCB announced record pre-tax profits of Ksh875m, an increase of 41.5 per cent over the previous year. The volume of deposits rose by 27.3 per cent while the value of assets increased by 25.8 per cent to Ksh15.4bn. Capital and reserves rose by 9.3 per cent to just more than Ksh1bn.

The government has recently embarked on a financial sector reform programme, backed by the World Bank. The programme will look at measures to stimulate the creation of a secondary market for financial instruments, liberalisation of interest rates and foreign exchange operations, reform of the stock market and restructuring of the banking system.



## Fly TWA Business or First Class to New York and we'll land you at East 34th Street.

After we've taken good care of you across the Atlantic, we'd like to help you on your way into town.

So fly with us and we'll give you a free helicopter ride from our own terminal at

JFK International Airport to the Heliport on the East River at 34th street.

All you have to do is reserve the helicopter when you book your TWA flight. Ten minutes after take off, you'll

land just eight blocks from the United Nations. Six blocks across town to the Empire State building.

There's no faster way to the centre of things.

**TWA**

For the best of America.

TWA



## UK NEWS

# Brooke promises outline plans for Ulster talks

By Ralph Atkins

MR PETER BROOKE, the Northern Ireland Secretary, yesterday said he hoped to outline plans next month for starting round-table talks on the province's political future - in time for negotiations to start in the autumn.

His comments, after a meeting with MPs from the Social Democratic and Labour Party, underlined the progress Mr Brooke has made towards starting talks between the province's constitutional parties.

Mr Brooke said he hoped to make a statement to the Commons before MPs leave for the summer recess at the end of July. "I think people would get, perhaps, a bit discouraged if we weren't able to do that," he said.

Speculation yesterday centred on Mr Brooke outlining his plans during the Commons debate on the Government's emergency powers in the province, which expire on July 16.

He will be acutely aware of the need for careful timing. Unionists have already embarked on a big programme of marches in celebration of the 300th anniversary of the Battle of the Boyne on July 12.

Mr Brooke said that, if a statement was made before the recess, "I think we would be likely to move into fuller talks in the autumn after people have come back from their holidays." He said he was "astonished" at progress so far.

To date, details of conversations Mr Brooke has had with the SDLP, the Unionists, the Irish Government and others have been kept secret, but all sides have expressed satisfaction at what he has proposed.

Mr John Hume, SDLP leader,



Peter Brooke: "astonished" at progress already made

said after his meeting yesterday: "I remain extremely encouraged."

The deal is thought to involve some formula for ensuring that the Irish Government is involved in negotiations in such a way as not to annoy Unionists anxious about Dublin interference in the province's internal affairs.

The Irish Government has said it would have to be involved fully in any discussions about an alternative to the Anglo-Irish Agreement.

Mr Brooke appears to have matched those competing demands with a package covering three sets of relationships: between London and Dublin, between north and south Ireland and within Ireland. Neither a timetable or agenda for the talks have yet been detailed.

## Man is sent for trial over Ferranti share sale

By Raymond Hughes, Law Courts Correspondent

MR Christopher Roberts, a former director of Scrimgeour Vickers Asset Management, a Citicorp subsidiary, has been sent for trial accused of making misleading statements over the sale of a £23m block of shares in Ferranti.

Bow Street magistrates in London yesterday committed Mr Roberts on bail for trial at Southwark Crown Court on two charges under section 47(1) of the Financial Services Act. The section covers the making, either knowingly or recklessly, of misleading, false or deceptive statements to influence investment decisions. The maximum penalty is a seven-year prison sentence or a fine, or both.

The charges say that on July 21 1989 at 24 St Swithin's Lane, London EC4, Mr Roberts stated that Smith New Court Securities would be in competition with two other bidders, one of whom was a rival market maker and one of whom was not in the securities industry.

The charge says that Mr Roberts knew the statement to be misleading, false or deceptive, for the purpose of inducing Smith New Court Securities to enter or offer to enter into an investment agreement to buy shares in Ferranti International Signal.

Mr Roberts is further charged with stating that two other bids had already been made for a quantity of shares in Ferranti International Signal and that Smith New Court Securities plc's offer at 82p was "damned close".

The charge says Mr Roberts knew that statement to be misleading, false or deceptive, and was reckless as to whether it would induce Smith New Court Securities to enter or offer to enter into an investment agreement, namely an agreement to purchase the shares.

## Ulster board falls short of target on jobs

By Our Belfast Correspondent

THE INDUSTRIAL Development Board, Northern Ireland's main jobs agency, failed to reach its employment target last year in spite of record performance in attracting investment from outside the province.

The board's statement for 1989-90, released yesterday, shows that it promoted 5,131 new jobs, of which 1,977 came from new inward investment. A total of 114 projects, including 14 from outside the province, was won. Total investment was more than £440m, on which the board offered nearly £3m in assistance.

The board is reviewing its policies, and a strategy to be published in the autumn is expected to include changes in the criteria for companies seeking financial help.

Funds would be offered primarily to companies able to prove their international competitiveness rather than solely on the basis of promised jobs.

The IDB blames the failure to achieve its 6,000 jobs target on companies postponing or cancelling expansion plans because of high interest rates.

# Poll tax takes Lambeth to the limits

Jimmy Burns on how administration of the charge is frustrating one London council

SHARON, AN employee of Lambeth Council in south London, is taking a telephone call on the council's help-line. The caller is trying to explain the sense of frustration he feels over the poll tax.

Sharon is trying her best to explain that, if he does the necessary paperwork, he may not have to pay as much he thinks. The caller raises his voice and starts swearing at the Government, at the tax, at her. Sharon puts down the phone.

"We get quite a lot of abusive phone calls," she says, "a lot of the time people are confused, angry; they just don't know what's going on."

Abusive phone calls are only one of the obstacles facing Lambeth employees as they try to grapple with the administration of the poll tax or community charge.

Lambeth was the last council in England and Wales to set its tax, at £547.89 a head one of the highest in the country. That had led to delays in sending out bills, in calculating entitlement to rebates, and in collection. Budgetary difficulties have ensued.

Now as one of the councils subject to capping by the Government, which has reduced the poll tax level to £496.89, Lambeth faces the prospect of its administrative tasks becoming even greater. The cost of rebilling is put at £850,000.

Mr Vincent Ellis, the council's assistant director of Finance (Income), conducts tax operations from a 10-floor modern brick building called International House, a few hundred yards from the town hall in Brixton. Next to his desk, there is a poster of Nelson and a map of the Battle of Trafalgar - a reminder of the stormy waters he is being forced to navigate.

"The poll tax has presented us with a massive task. We're trying to manage things in a calm, cool way but the problems are still enormous," says Mr Ellis.

He fears an administrative nightmare as a result of cap-



Poll tax question and answer at Lambeth: most people who attend the turn up at Lambeth's poll tax centre are "can't pay" or "won't pay."

ping. Lambeth's income division employs a staff of 350 spread across seven floors. The number compares with the 60 employed under the old rates system.

Extra staff - many working overtime - the adaptation and enlargement of the council's computer software and the sheer volume of paperwork involved has meant that costs of tax collection have increased from £4.5m under the rates system to an estimated £8.4m a year.

On the ground floor, council employees are trying to sort through the inflated post bags

one normally associates with the Christmas mail. "Some- where between chaos and very chaotic, although the staff are doing a marvellous job," is how Mr Jim Hunt, the council's head of security, describes the situation.

Mr Hunt is the council's first line of defence against over 400 poll-tax-related personal callers a day. Most are directed to the third floor, where behind glass screens, Mr Ellis's staff deal with more detailed inquiries and process forms. On most days of the week, this room is so crowded that those queuing spill out into the street and

round the block. As Maureen, another member of staff explains, the majority of the people who turn up are a mixture of "won't pay" and "can't pay."

By contrast, only a trickle of people make their way to the main cash desk which deals with full payment of the poll tax instalments.

"I had one man in here who, after reading the form I'd given him to fill in, just threw it in my face and walked out. I've just had to send another person home because he couldn't provide me with the necessary information with which to cal-

culate his entitlement to rebate," said Maureen.

According to Mr Ellis, the high proportion of people on low incomes in the borough has left his department with little option but to focus its stretched resources on dealing with applications for rebate, rather than on collection.

The council's difficulties are compounded by politics. Its local authority's Labour leadership has not only openly expressed its public opposition to the poll tax but is also reluctant to enforce collection - a view that earlier this week led to councillors being threatened with surcharge and disqualification by Lambeth's director of finance, Mr Peter Maxted.

The day after the threat was issued on Wednesday, Lambeth's leader, Mr Joan Twelves was unrepentant. "The poll tax is abysmal, unfair and unworkable, and I'm not changing my views on that."

Ms Twelves argues that she is being pragmatic as well as political. "I live on a housing estate and I am extremely conscious of people in Lambeth who just can't afford to pay. Taking them to court isn't going to bring in the money; getting them to apply for rebates will."

Faced with a calculation that there will be about 80 per cent of the local population not entitled to rebates, the council's financial advisers have taken a different view.

"The budget agreed was based on a poll-tax collection level at 90 per cent, which is only likely to be achieved if collection is enforced," was the clear message delivered to Ms Twelves by Mr Maxted last week.

At International House, the council's propaganda posters make no mention of collection. Instead the poll tax is caricatured as a dragon - horrible and cross-eyed - and the rebate proclaimed as the one poll tax form that saves money.

## King's Cross development now in doubt

By Richard Tomkins, Transport Correspondent

THE FATE of London's 55th King's Cross redevelopment hangs in the balance this week after the Government's decision on Thursday to throw out proposals for a high-speed rail link with the Channel tunnel.

MPs examining the King's Cross Railways Bill in a Commons committee will meet on Monday afternoon to discuss whether it should be allowed to proceed to a second reading. The bill would allow the £1bn development of a new low-level station at King's Cross, including a terminal for cross-Channel trains.

If MPs decide the rejection of

the high-speed link means the new station is not needed, the bill could be thrown out and British Rail's plans postponed indefinitely. That would delay the 135-acre commercial development because BR's sub-surface works have to be complete before construction starts on the site above.

BR says it needs the low-level station to expand commuter services and accommodate Channel tunnel expresses using the existing railway lines.

Plans for the high-speed railway yesterday appeared to be entering a long period of limbo as BR prepared to embark on a

fresh review of possible routes.

Promoters of the rival schemes that propose using Stratford in east London as a terminal or an entry point to King's Cross were waiting to hear whether BR wished to reconsider their plans, but BR played down speculation that they might emerge as front runners.

It said: "We believe they are no more viable than the scheme just rejected and that they are less appropriate from a business point of view."

● The North of England Regional Consortium yesterday claimed that rail services

would not even be "passable" in 1993 after the Government's refusal to fund the high-speed Channel rail link, Ian Hamilton Fawcett writes.

The consortium represents the north-west, the Yorkshire area and Humberside and northern economic regions. Mr John Gummell, the Yorkshire Labour politician who acts as its spokesman, said: "The decision will further isolate the north of England from the benefits of the Channel tunnel. If northern industry and business cannot compete in the single European market, the whole of Britain will lose."

Ernst & Young, the accountancy group which was appointed as Coleroll's receivers on Thursday last week, said it hoped to avoid further extensive rationalisation at the Coleroll companies although there might be a few more redundancies.

Yesterday's job losses affect the home products group which went under last week. The company, which is based at Kidderminster in Hereford and Worcester. The company, which originally employed 1,100 people, will continue trading in the hope that it can be sold as a going concern.

Ernst & Young has received more than 500 inquiries about the group's 11 divisions.

Coleroll went into receivership last week with debts estimated at between £300m and £400m.

## Further 237 jobs to go at Coleroll

By Alice Rawsthorn

THE RECEIVERS for Coleroll, the home products group which went under last week, yesterday announced 237 job losses at three carpet factories in the West Country.

The news came only a few days after the announcement that 1,000 people would lose their jobs because of the closure of Coleroll's furniture factory at Dudley in the West Midlands and the rationalisation of its home furnishings business at Boston, Lincolnshire.

Ernst & Young, the accountancy group which was appointed as Coleroll's receivers on Thursday last week, said it hoped to avoid further extensive rationalisation at the Coleroll companies although there might be a few more redundancies.

Yesterday's job losses affect the home products group which went under last week. The company, which is based at Kidderminster in Hereford and Worcester. The company, which originally employed 1,100 people, will continue trading in the hope that it can be sold as a going concern.

Ernst & Young has received more than 500 inquiries about the group's 11 divisions.

Coleroll went into receivership last week with debts estimated at between £300m and £400m.

## Car and truck production figures continue falling

By Kevin Done, Motor Industry Correspondent

UK CAR production in May was 8.3 per cent lower than a year ago, according to provisional figures from the Central Statistical Office. The total was 104,497.

For the first five months, car output was 9.7 per cent lower, at 533,682.

Commercial vehicle output dropped by 18.6 per cent in the first five months to 122,086 from 149,916 in the corresponding period a year ago, but in May alone production was only

3 per cent lower at 27,609.

The UK motor industry depends extensively on the domestic market, and output has been severely affected by the fall in demand in UK new vehicle markets in the face of high interest rates and the general economic slowdown.

In addition, some Ford assembly plants, chiefly Halewood, Merseyside, and Southampton, were closed by industrial action for several weeks in the first quarter.

## Woolwich to set up Milan mortgage loan company

By David Barchard

WOOLWICH, THE third-largest UK building society, with assets of £15bn, is to follow Abbey National into the Italian market by opening a mortgage company in Milan.

Mr Donald Kirkham, chief executive, said that Italy had been chosen for the society's first European venture because it was the market with the best growth prospects.

Woolwich's Italian subsidiary will sell mortgages through two Italian insurance

companies, Bernese Assicurazioni and Bernese Vita, both subsidiaries of the Berner Group of Switzerland.

Woolwich has had a holding company offshoot for Continental operations since 1986, but it has only recently been activated. Abbey National was the first building society to open subsidiaries on the Continent, but it has since become a bank. Woolwich will be the only UK building society on the European mainland.

## Quest for better index of inflation

Rachel Johnson looks at proposals for a revised measure of inflation

THE LATEST jump in Britain's retail prices index has intensified the search in the Treasury and among City economists for a new measure of inflation.

Yesterday's 9.7 per cent annual rise in the RPI for May was the highest for more than eight years and seriously at odds with the terms set by the Government for bringing sterling into the exchange-rate mechanism of the European Monetary System.

As headline inflation has crept closer to the 10.1 per cent inherited by the Government in 1979, the quest for a new measure has focused on finding a true underlying inflation rate that would exclude distortions.

The best-known of these distortions are mortgage interest payments and the community charge.

The Treasury has advocated a separate measure of inflation that excludes those two factors.

That approach has the advantage of being similar to the way the UK's European Community partners measure their inflation.

One hope has been that it might show the UK's inflation rate converging with the EC average and so meeting the

nity charge effects, UK inflation quickened to 7 per cent last month from 6.5 per cent in April.

If Mr John Major, the Chancellor of the Exchequer, decides to redefine the retail price index, he will find some sympathy among economists, particularly at James Capel, the stockbrokers, and at the independent Institute for Fiscal Studies.

They argue that the RPI seldom measures underlying inflation accurately, because it can overstate the actual inflation rate as a result of its treatment of housing costs.

Wage settlements then become indexed to an inflated RPI - which causes a wage-price spiral threatening to leave the UK with "structural" inflation.

Both the IFS and James Capel have designed their own indices, which they claim give more honest measurements of inflation.

The IFS index differs from the official RPI mainly in its treatment of housing costs. It shows inflation falling much faster than the RPI in response to house price falls.

James Capel's also removes "administered" price rises, which are fixed by the Government.

The Treasury is moving cautiously in its quest for a new measure of inflation. It perceives the dangers inherent in backing a separate inflation measure simply because one component - be it housing or the poll tax - is rising quickly.

It also recognises that there is a threat to the Government's credibility if it tries to redefine underlying inflation.

Moreover, to criticise the RPI - which is formulated with laborious care - would be an insult to its producers, the Department of Employment and the Central Statistical Office.

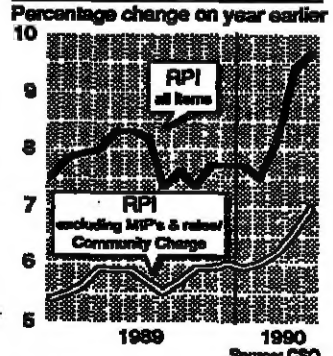
Nevertheless it has warmly welcomed the IFS proposal.

James Capel's measure paints a blacker picture which gives the Treasury no hope that the Madrid conditions for ERM entry can be met this year.

It suggests that core inflation has been on a rising trend for more than two years.

Meanwhile, the cost pressure in the system will push core inflation higher even when the headline rate begins to fall.

"Strict interpretation of Mr Major's inflation condition for [ERM] entry implies holding off until early 1991," James Capel concludes.



most important of the Madrid conditions for making sterling a full EMS member.

Last month the Treasury produced the accompanying graph of the "underlying inflation" rate to illustrate the point that UK inflation appeared nearer to the European average, which it put close to 5 per cent.

Yesterday, the Treasury produced no such graph to support its point. Even the underlying inflation figures show the UK's rate diverging from, rather than converging with, the EC average.

After stripping out mortgage interest payments and commu-

# !!! HOT NEWS IN DICTATION FROM PHILIPS

INTRODUCING A COMPLETELY NEW GENERATION OF DICTATION EQUIPMENT FROM PHILIPS.

Discover the best news about Philips RDS Dictation Systems. Call the telephone on 020 8350 3751/5.

Name: \_\_\_\_\_  
Company: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_  
Postcode: \_\_\_\_\_  
E-mail: \_\_\_\_\_  
Phone: \_\_\_\_\_

PHILIPS DICTATION SYSTEMS. SIMPLY A BETTER WAY OF WORKING.

PHILIPS

Handwritten signature or mark.



# ANNOUNCING THE NEW RATES\* FROM NATIONAL SAVINGS. AND THEY'RE ALL GUARANTEED OVER FIVE FULL YEARS.

YEARLY PLAN  
FOR MONTHLY SAVINGS

**9.5%**  
pa  
TAX-FREE

LIMIT £200 A MONTH. APPLICATIONS  
RECEIVED FROM 6 JUNE 1990.

35th ISSUE SAVINGS  
CERTIFICATES

**9.5%**  
pa  
TAX-FREE

ON SALE FROM 18 JUNE 1990.  
LIMIT FOR NEW MONEY £1,000.  
ALSO REINVESTMENT LIMIT £10,000.

CAPITAL BOND  
SERIES B

**13%**  
pa  
GROSS

ON SALE FROM 25 JUNE 1990.  
IN MULTIPLES OF £100.

5th ISSUE INDEX-LINKED  
SAVINGS CERTIFICATES

INDEX-LINKING  
**+4.5%**  
pa  
EXTRA INTEREST  
ON TOP. ALL TAX-FREE

ON SALE FROM 2 JULY 1990.  
LIMIT FOR NEW MONEY £5,000.  
ALSO REINVESTMENT LIMIT £10,000.

**NATIONAL  
SAVINGS**

FOR MORE INFORMATION, PHONE FREE 0800 868 700.

\*TO EARN THESE RATES YOU NEED TO KEEP YOUR MONEY IN FOR FIVE YEARS.



## UK NEWS

# Builders will face recession until 1992, Nedo says

By Andrew Taylor, Construction Correspondent

THE RECESSION in the British construction industry is likely to last longer than previously expected, according to a forecast published yesterday by the National Economic Development Office. It expects recovery to be delayed until 1992.

Nedo, which publishes national construction forecasts every six months, said the outlook had worsened since the end of last year. Having previously forecast a small recovery in 1991, it now expects the recession to last well into next year. It forecasts that total UK construction output will fall by 3.5 per cent this year and the same next year, and that recovery will be delayed until 1992, with only a 1 per cent rise in output.

The largest falls are expected in the private residential and commercial property markets, which have suffered because of rises in interest rates. Starts made on new homes by private builders, which last year fell from 216,000 to 188,000, are expected to fall to 185,000 this year, placing an even greater strain on house builders and building material suppliers.

Private housing starts are expected to recover to 150,000 next year and 160,000 in 1992.

Nedo said the worst effects of the downturn in the commercial property market would not be felt until next year. Numerous developments started before the market fell had still to be completed.

Commercial output would therefore decline by only 2 per cent this year but by 18 per cent next year and a further 5 per cent in 1992.

The privatisation of the water and power industries, which were poised to embark on investment programmes, would offset some of the predicted sharp downturn in factory and warehouse construction, it said.

Civil engineering, funded mainly by public-sector spending, was one of the few areas expected to show consistent growth. Public non-housing output was expected to grow by 3 per cent, 2 per cent and 1 per cent over the next three years.

## Three brickworks to close

By Andrew Taylor

REDLAND, one of Britain's biggest building materials manufacturers, is to close three brickworks in southern England with the loss of about 200 jobs. The move follows redundancies and kiln closures at other brick manufacturers.

About 60 per cent of bricks are used in house building, and the brick industry is suffering as a result of a large fall in house sales. Stocks of unsold bricks held by manufacturers in March rose to more than 1bn - the highest level since February 1982.

The Redland plant closures - at Nutbourne, West Sussex; Otterham, Cornwall; and Fluck, Kent - will lead to a cut of about a third in the company's brick production.

Prices of standard housing bricks have fallen by about a quarter in the past 12 months.

# Lonrho can challenge Ridley over Fayed's

By Raymond Hughes, Law Courts Correspondent

MR "Tiny" Rowland, head of Lonrho, the international conglomerate, has embarked on a new legal battle against the Fayed brothers in the long-running feud over Harrods, the Knightsbridge store.

Lonrho is to challenge in the High Court the Government's decision not to seek the disqualification of the Fayed brothers as company directors after publication of the report by Department of Trade and Industry inspectors into House of Fraser Holdings.

A High Court judge has given Lonrho leave to seek a judicial review of the decision of Mr Nicholas Ridley, the Secretary of State for Trade and Industry, not to apply for a disqualification order in respect of the Fayed brothers under Section 8 of the 1986 Company Directors Disqualification Act.

Mr Paul Spicer, a Lonrho director, said yesterday: "This is another important step in the direction of trying to put right what seems to many people in this country, and particularly ourselves as the injured party, what seems to have been a very bad stance by the Government." Lonrho contends that Mr Ridley's decision was wrong and that he had no sufficient reason for reaching it.

The decision was announced on March 7 when the DTI's report on the affairs of House of Fraser Holdings was published. One of the report's findings was that the Fayed brothers had misused their business interests and their resources to the detriment of the company.

A report of the House of Commons Trade and Industry Select Committee, published on May 22, concluded that "the question whether the Fayed brothers should be disqualified as directors should have been put to the courts to decide."

Under the judicial review procedure the court does not consider the merits of the decision challenged but only the way it was reached.

# Views on ERM gain ground, MPs told

By Ivor Owen, Parliamentary Correspondent

BRITAIN is making progress in persuading the European Commission to accept that economic and monetary union need not mean that European Community member states surrender control over their national budgets, Mr Peter Lilley, the Financial Secretary to the Treasury, told the Commons yesterday.

Speaking in a debate on economic and political developments in the EC, he said: "The argument is swinging in our direction." Mr Lilley also insisted that the inclusion of sterling in the exchange-rate mechanism of the European Monetary System would not automatically lead to acceptance of a single currency.

He did not respond to Labour demands for confirmation that the Government was about to drop its proposal that the EC should adopt a system of competing currencies, with all 12 member states retaining



Peter Lilley: "Argument swinging in our direction" their traditional notes and coins.

Mr Chris Smith, a Labour frontbencher Treasury spokesman, urged the Government to open discussions "immedi-

ately" on sterling's inclusion in the exchange-rate mechanism. Under pressure from Mr Peter Shore, a former Labour Cabinet minister, he made clear that Labour would want to know "the exact nature of the animal" before agreeing to a common currency and a common monetary policy.

Mr Lilley contended that, given the preconditions laid down by Labour, it would be the next century before a Labour Government would be able to join the mechanism.

Mr Smith reaffirmed Labour's determination to secure entry at an appropriate level for sterling, coupled with assurances about the "swap" arrangements to be operated by central banks for protection against speculation and about regional policy. He said Mr Lilley was "out of step" with current thinking in the EC.

The minister maintained that Labour's commitment to

increased public expenditure and higher taxes together with the likelihood of increased borrowing and a premature reduction of interest rates meant it would be unable to meet the disciplines imposed by the exchange-rate mechanism.

He repeated that sterling would enter the exchange-rate mechanism when the conditions laid down by Mrs Margaret Thatcher, the Prime Minister, following last year's EC summit in Madrid, had been met. "We have stood by those conditions and we have not wavered."

Mr Smith feared that government "dithering" over sterling's inclusion in the exchange-rate mechanism would leave Britain on the sidelines as a deal for a "two-track" EC was concluded.

Then, he said, Britain would be in the second rather than the first league on economic development and growth.

# Ridley is in step with Cabinet, Leader of Lords says

LORD BELSTEAD, the Leader of the Lords, was yesterday forced to intervene during questions in the House, writes Ivor Owen.

He intervened to support assurances that Mr Nicholas Ridley, the Trade and Industry Secretary, was not out of step with his colleagues in the Cabinet over Britain's approach to economic and monetary union

in the European Community. Lord Williams of Elvel, deputy Labour leader in the Lords, repeatedly pressed for clarification of Mr Ridley's recent speech to the Bruges group, in which he called for greater freedom on economic policy for individual EC states.

When Lord Williams asked if the speech had been cleared by Mrs Margaret Thatcher, Lord

Trefgarne, Minister for Trade, replied: "The process by which Mr Ridley arrives at his own personal views are a matter for him."

Two former Labour Cabinet ministers, Lord Mulley and Lord Cullen, insisted that the House was entitled to know how an expression of personal views by a Cabinet minister accorded with the doctrine of

collective responsibility. Lord Trefgarne replied that when ministers spoke personally it did not detract from effective collective responsibility.

Asked if, as a member of the Cabinet, he supported Lord Trefgarne's views on collective responsibility, Lord Belstead answered: "Yes. I most certainly do."

# Church official defends investment policy

By Alan Pike, Social Affairs Correspondent

PROPOSED LEGAL action aimed at strengthening the Church of England's ethical investment policy has met with its primary financial responsibilities to obtain the best possible return on investments. However, the outcome of a legal action was never certain and might lead to the policy being called into question.

The Archbishop of Canterbury, Dr Robert Runcie, who is chairman of the Church Commissioners, has written to the Bishop of Oxford warning him in similar terms of the potential dangers of going ahead with the legal action.

Sir Douglas said it "could not be right for one church body to take another to court." He said the commissioners

were willing to meet the bishop and explore the issue. The financial support for the bishop illustrates considerable concern within the Church of England over the ethical investment question. Later this month the Oxford diocese will consider transferring its £2m investments from the church's Amity Fund of the Ecological Investment Group, which has a strong ethical policy, because of concern about South African investments.

The Church Commissioners said in their report yesterday that they continued to take proper account of social, ethical and environmental issues. "Our practice is to follow up with senior management any

major criticisms of a particular company's activities through confidential correspondence and, where appropriate, direct discussions." The ultimate sanction was disinvestment, "but the paradox of doing so is that we then lose any opportunity to use our influence for good."

Capital value of the commissioners' assets rose 17 per cent to £3,081bn last year, with investment income increasing 14 per cent to £140m. From that, the commissioners meet about 40 per cent of clergy stipends in addition to housing costs, pensions and other facilities. Overall the commissioners meet between a third and half of all the Church of England's expenses.

## NEWS IN BRIEF

# Saunders is ill, says trial judge

THERE was no sitting in the Guinness trial yesterday because Mr Ernest Saunders had trouble with his voice, writes Raymond Hughes, Law Courts Correspondent. The former Guinness chairman and chief executive has been giving evidence at Southwark Crown Court for seven days.

Yesterday Mr Justice Henry, the judge, told the jury that Mr Saunders was "not in great shape" and that arrangements were being made for him to be examined at Guy's Hospital.

"We hope he will be in a position to continue on Monday," the judge said. "Clearly in his time in the witness box he has to be in a state of health to give a proper account of himself."

Later Mr Saunders' son James said his father had been diagnosed as having a viral infection of the throat.

## Judgment reserved

THE Restrictive Practices Court in London has reserved judgment on an action by Sir Gordon Borrie, Director General of Fair Trading, against four ready-mixed concrete companies over price fixing and market-sharing agreements. No date was fixed for the judgment.

Hartigan Ready-mix, Pioneer Concrete (UK) and Ready Mixed Concrete (Thames Valley) have admitted putting themselves in contempt by disobeying a court order stopping them from entering into the agreements.

Smiths Concrete, its former manager, Mr Peter Hayter, and RMC's then area manager, Mr Anthony Hulett, all deny contempt. The agreements relate to part of Oxfordshire in 1985 and 1984.

## Cat disease

A THIRD case of a cat with a brain condition similar to "mad cow" disease was confirmed yesterday by Mr David Maclean, a junior Agriculture Minister. He said the ministry had examined 13 brain tissue samples from cats suspected of having a spongiform encephalopathy, the brain cell formation that produces nervous conditions in cattle and sheep. Three were confirmed.

## ARROWS

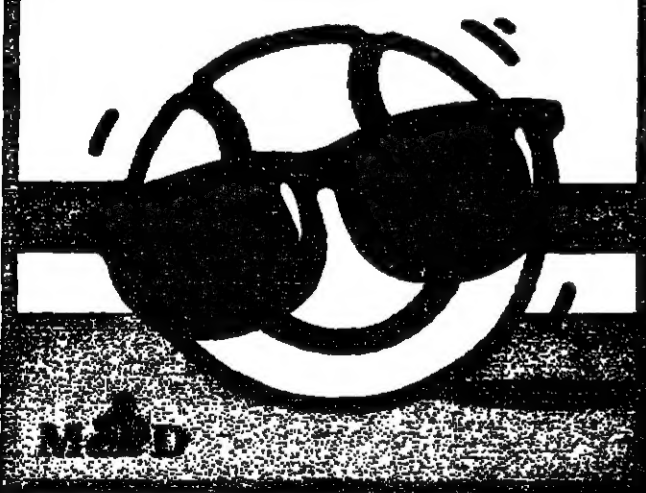
## PRO-CELEBRITY TENNIS TOURNAMENT

On 22nd June, the Royal Albert Hall will feature a different string section. The place will echo with the sound of ball on racket.

Watch from the comfort of your own box as the stars thrash it out on the courts, in aid of Muscular Dystrophy.

Prices range from £200 to £2,200. You can choose from finger buffet, up to a four-course meal.

There are a few packages left, so call us now on (0984) 23053 or fax (0984) 23064. Then you'll be sure to give your clients a great service.



## AIR FREIGHT WAREHOUSE

MR. LONDON HEATHROW AIRPORT

URGENT PUBLIC AUCTION

Distrained Order Executed by the Court Appointed Bailiff

District Court Judgement Langericht Düsseldorf

SEIZED VALUABLE ASSETS

A Large Confiscated Stock of

PERSIAN & EASTERN

Handmade Carpets, Rugs & Corridors

Including: Merhad, Kirman, Nain, Bidjar, Kashan, Homadan, Isfahan, Huseinabad, Kunder, Kora Karak etc.

In Silk & Wool, All Sizes from 2' x 1' to 13' x 10'

These goods sequestered in accordance with the Court verdict have been apportioned with other items for immediate liquidation by

SHORT NOTICE

PUBLIC AUCTION

SUNDAY, 17th JUNE at 11.30 a.m.

Inspection from 10.30 a.m.

This superb portion redirected in transit now offered to be sold in quickest possible manner PIECE-BY-PIECE at

AIR FREIGHT WAREHOUSE

SAL EXPORT PACKING LTD.

Unit 11, Spaceways, off Central Way,

North Feltham Trading Estate, Feltham, Mr. Heathrow.

(Directions: Turn into Faggs Road at Hatton Cross, direction Feltham; turn left at Central Way, then left at Chalmers Way)

Terms: Cash, Certified cheques, major Credit Cards

BICKENSTAFF & KNOWLES, Auctioneers,

6 The Arcade, Thurloe St., London SW7. Tel: 071-589 7971.

# Nalco to retain its discipline policy on strike breakers

By Michael Smith, Labour Correspondent

NALGO, the public service union, decided yesterday to retain its policy of allowing branches to discipline strike breakers in defiance of employment legislation.

However, the union's annual conference in Bournemouth passed a motion recognising the need for restraint in suspending or expelling members when the policy "ceases to be in the interests of the union."

The effect of the decision is that members of the 750,000-strong union may still face disciplinary action if they cross picket lines.

However, the executive would almost certainly stop branch moves to expel or suspend large numbers of members, as it did earlier this year following last summer's local government pay strikes.

That decision, taken in January, angered some left wing members, who argued that the union should not give up the right to discipline "scabs" to comply with Conservative legislation.

The legislation, introduced two years ago, allows union members to seek compensation of up to £14,000 through industrial tribunals if they are dis-

ciplined for working during strikes.

Nalco's decision last summer to carry on suspending and expelling members was a rare act of defiance of trade union law. It could have led to Nalco being forced to pay out several million pounds in compensation.

The executive's January decision to restore membership to hundreds of expelled or suspended members followed the only industrial tribunal case on the issue, in which a South Tyneside tribunal found that Nalco had acted unlawfully in expelling 11 members.

One motion tabled for the Bournemouth conference sought to censure the executive for its action. The executive, on the other hand, had originally wanted to change union rules to comply with the law.

In a compromise, both proposals were withdrawn. Instead conference backed a motion noting that continued principled opposition would destroy Nalco financially and "put money into the hands of scabs than any pay settlement."

However the conference decided that it would be wrong to "subject our rules to comply with Tory legislation."

# Long-term pay deals still popular option

By our Labour Correspondent

RECENT RISES in the inflation rate do not appear to have dampened employers' enthusiasm for long term pay deals which link future wage increases to movements in the retail prices index, according to a report.

Industrial Relations Services also found evidence of companies being prepared to renegotiate agreements because of the unexpected rise in inflation.

National Cash Registers, for example, originally agreed to lift wages by 6 per cent in March 1990 as the final part of a three-year deal at its Dundee manufacturing site, but later added a further 2.5 per cent.

Most of the 30 long-term pay

deals examined by IRS lasted for two years, with those incorporating inflation-linking concentrated in the food, manufacturing, transport and communications industries.

Ford, the vehicle manufacturer, warned recently that its index linked pay settlement was likely to "assume alarming proportions" in the second year. The agreement allows for at least 8 per cent, but the actual figure will be considerably higher because the company is committed to paying out October's 1990 RPI figure plus 2.5 per cent.

Pay And Benefits Bulletin 25, Industrial Relations Services, 18-20 Highbury Place, London N5 1QP.

# Opening shots in the war of work

John Gapper and Lucy Kellaway on the EC's plans for part-timers

THE SHADOW boxing between the British Government and the European Commission over the Social Charter of workers' rights has ended. Battle was joined properly this week when the Commission gave the first details of what the charter will actually mean.

It chose an appropriate subject to have a fight with Britain. The rapid growth of part-time and temporary work over the past decade has accounted for most of Britain's large rise in jobs compared to other EC states. About 28 per cent of British employees now work part-time.

By drafting directives which would entitle employees working more than eight hours a week to benefits such as pension and sick pay, and rights to the same working conditions as full-timers, the Commission struck at the heart of its differences with the Government.

The core argument is over flexibility. The Government argues that the growth of these peripheral - or in Commission language "atypical" - jobs is a healthy sign. It shows that a deregulated labour market will create more jobs of the type that people want.

However, the Commission, while acknowledging firmly that such work contracts were necessary, is suspicious that they are used by employers to save on wage costs at the workers' expense. Payments such as national insurance contributions and sickness benefit can be avoided.

Britain's Government and employers would probably be forced into the biggest changes if the directives came into force. Most other states have fewer part-timers. Those with higher proportions - the Netherlands and Denmark - also have more legal employment protection.

However, they would clearly affect some other states heavily. In West Germany, the thresholds of employees having to work 19 hours a week before they contribute to unemployment benefit and 15 hours a week before they contribute to sickness benefit, would have to be altered.

If the three directives were adopted as proposed - which seems unlikely - they would give part-timers (those working for more than eight hours a week) and temporary staff a range of entitlements:

● All benefits given to full-time employees on a pro-rata basis. Benefits covered

## EC part-time workers

Percentage of total employees (1988)



Source: Labour Force Sample Survey

would include social security, contributory and non contributory social schemes, occupational pensions, holidays, health benefits and maternity leave.

● The same rights to training as full-timers, as well as the same health and safety conditions.

● Atypical workers would be taken into account for the calculation of workers' representation - into paying benefits. However, those earning more than £43 for fewer than eight hours' work would no longer have to make contributions.

Many British employers tend to set their part-time thresholds for schemes such as pensions higher than eight hours - often at 16 hours. Smaller companies in particular would have to make quite fundamental changes to pensions schemes in particular.

The rapid growth of part-time employment in Britain is one of the most notable features of the labour market. While the number of full-time employees only regained its 1981 level last year, part-timers grew from 4.5m in September 1981 to 5.5m last December.

Many of these jobs were in service industries and were taken by women who combined work with bringing up families - about eight out of 10 part-timers are women. The jobs have typically been non-unionised and thus less controlled by fixed agreements with employers.

The growth of these jobs has been integral to the employment recovery following the 1981 recession. Perhaps as importantly, they have become a touchstone for the Government's view that job growth flourishes in the least regulated areas of the labour market.

In practice, the differences in working rights and conditions

between part- and full-timers have been shrinking in the past five years. The process has been driven by labour shortages and a growth in the complexity of work roles in the service industries.

J Sainsbury, the supermarket group, has gradually been extending rights and benefits pro-rata to its 45,000 part-time staff. They were included in the pension scheme for the first time in 1986, and have now been brought within sick pay and staff discount schemes.

It has also widened its profit-sharing and savings-related share option schemes - but only to those working more than 16 hours a week.

Mr John Ainley, W H Smith's retail personnel and training manager, says that if the draft directives were enforced it would "clearly add to costs" because eligibility for such schemes would have to be extended to those working at least eight hours.

Similarly, Mr Robin Lees, chief executive of the British Hotels, Restaurants and Caterers' Association, says the increased expense of taking on part-timers would drive up wage costs or lead to job cuts.

The publication of the three directives is being treated by ministers as a vindication of the Government's brisk opposition to the Social Charter. The strength of the directives - the two West German commissioners voted against them - indicates that the charter is meant to have teeth.

Furthermore, British ministers have been annoyed by the fact that the main directives was published under the article of the Treaty of Rome dealing with competition policy. The Commission argues that anomalies in social security costs are a distortion of the Single European Market.

If the argument is accepted, it will mean that the directives will be subject to majority - rather than unanimous - voting. This may prevent the Government blocking a series of measures that it regards as inimical to its reforms of the labour market. The battle is likely to be fierce.

If anything, it will get fiercer still from the end of this month, when the Commission is likely to adopt directives on working hours which could have even greater effect. The Commission is considering preventing night shifts of longer than eight hours and day shifts of more than 12 hours.



**Christopher**

**Knight**  
Mr A.G. Stanton, director, Tibbet and Britton Group  
Mr S. Thompson, managing director, Dominick Hunter Filkins  
Mr M. Wallace, executive director, Allied Steel and Wire



Ferguson

**Agricultural Development and Advisory Service** Mr G.I. Naara, chief executive, Enterprise Oil

Miss M.E. Rayner, lately vice-chairman of the Schools Examination and Assessment Committee.

Mr C.C.B. Foot, director, corporate relations  
Philips Electronics  
Mr M.A. Gregory, lately chief legal adviser

Mr V.P. Parsons, managing director, Wandel  
and Goltermann  
Mr B. Pyburn, manager, environmental

1. The following information is provided for the year ended 31 December 2019:

FT-SE 100 SHARE INDEX	2392.3	-10.7	2414.4	2387.4	2403.0	2405.4	2370.7	2348.8	2366.6	2143.9	2463.7	3 / 1	2103.4	30 / 4	2463.7	3 / 1	986.9	23 / 7
-----------------------	--------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	--------	--------	--------	-------	-------	--------

DATE	NAME	DATE	NAME	DATE	NAME

(235)	240	8	17	25	10	15	17	PHS	1590	10	100	180	105	120	170
								PE1590	1600	60	80	150	150	150	200

CALLS															
Jan	263	214	164	121	77	40	19	64							
Feb	287	241	197	155	117	84	55	37							

PRICE	Fri	Sat's	Thu	ad. ad.	ad. ad.	British Government	15	14	(approx.)	High	Low		
							11.00	11.00	10.00	12.30	2.45	10.16	2.45

10	Preference	14.6	10.3	12.1	10.3	18	Preference	12.44	12.33	10.31	12.60	30/5	10.87	2/1
----	------------	------	------	------	------	----	------------	-------	-------	-------	-------	------	-------	-----

[illegible]

25th July 1990

(b) 2:36pm

(31) THE FIXED INTEREST INDICES ARE INCORRECT IN THIS EDITION (TECHNICAL PROBLEMS).

For a full editorial synopsis and advertisement details, please contact

SECRET

**The Financial Times proposes to publish this survey on:**

**25th July 1990**

**25th July 1990**

### Synopsis and advertisement

**Mayrick Simmonds**  
on 071 873 4540

or write to him at

**Number One  
Southmark Bridge**

**London  
SE1 9HT**

SET 212



## FINANCIAL TIMES

NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 9HL  
Telephone: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Saturday June 16 1990

## Threats to the markets

THE financial markets on both sides of the Atlantic are in a much better mood than a month or so ago. On Wall Street there is no longer talk of the need for a 9 per cent plus yields to persuade foreign investors to buy US Government bonds. The latest trade figures suggest that the chronic US trade imbalance is on the mend, and it seems to be only a question of time before US interest rates are allowed to fall.

In London, the transformation in sentiment has been even more marked these past few weeks. The Bank of England has had to step in to prevent UK interest rates falling, the pound no longer looks a weak currency, and the gilt-edged market has enjoyed one of its most powerful rallies for a long time. In the short term it is an environment where equities can flourish.

The global financial problems posed by German unification and eastern Europe have been overtaken for the moment by more mundane domestic economic concerns. US retail sales have fallen for the third month in a row, but exports are doing well and inflation is no longer accelerating. There is not enough evidence yet to persuade the Federal Reserve to ease, but nor does it point to a recession. In the UK, the sharp rise in the underlying growth of inflation is clearly disappointing. It is now more than twice the rate in West Germany, and shows that far from converging with rates in the rest of Europe - which has been a precondition for early entry into the exchange rate mechanism - the gap is widening. Nevertheless, the prospects for inflation look better if the recent strength in sterling can be sustained.

## Economic engines

The UK's economic problems are more serious than most. But at least they are occurring at a time when the growth of the world economy is proving more robust than many dared hope. The surprising buoyancy of European car sales in May is another reminder that the economic engines of continental Europe and Japan should continue to offset any sluggishness in the US. And even if no one believes that the economic cycle has been averted, the recent weakness in the price of gold and oil both good proxies for inflation - suggest that the prospects for non-inflationary growth have improved over the past year. All that is needed, argue the bulls, is for central bankers to continue their fine tuning and the world economy can tick over quite happily.

They may be right. And even

if they are not, the UK equity market has already discounted a lot of bad news. Share prices are still not back to where they were in the summer of 1987, even though corporate profits and dividends have risen by some two thirds in the interim. Admittedly, the valuations on Wall Street are more demanding. Corporate earnings have been falling for the last three quarters, and Morgan Stanley, the US investment bank, argues that in real terms US corporate profits have gone nowhere for the last six years. But Wall Street is being driven by the promise of lower bond yields and a recovery in corporate earnings, which should show through soon.

## Stubborn problem

Nevertheless, any suggestion that the risks for the world economy, and for the financial markets, have lessened over the past few months will be removed by a reading of this week's annual report from the Bank for International Settlements, the central bankers' bank. The BIS sees inflation as a far more stubborn problem for many countries. Furthermore, this year's weakness of the yen and strength of the dollar have underlined the way exchange rate movements are preventing a correction of serious trade imbalances, which can fuel trade frictions which in turn threaten the growth potential of the world economy.

The BIS's greatest worries centre on the growing fragility of the financial markets. It is perturbed by the rapid growth of new financial products and practices at a time when the corporate and personal sectors are highly geared by historical standards. These products have flourished in favourable economic conditions, but there is no way of telling how they will fare in a harsher climate. The financial sector has become vulnerable to a slowdown in economic activity and higher interest rates. Signs of stress in areas such as property lending and the US junk bond market have added to the BIS's unease. Were the duties in the financial sector to become more widespread or more acute, they could have serious consequences for economic performance.

Even allowing for central bankers' caution, it is a blunt warning. Although considerable comfort can be taken from the way the financial markets have coped with recent volatility in exchange rates and share prices, there has to be a worry that future violent movements may not be as well contained if they took place in a more hostile economic climate than prevails today.

## David White on a UK defence review that could lead to radical restructuring

What country keeps more than a third of its army in another country? There are two possible answers. The more obscure one is Belgium. The other is the UK.

Encamped in 13 garrison towns, the British Army of the Rhine is a force of 55,000 wondering about its future. It is part of a total contingent of about 70,000 British service personnel in Germany, including Berlin, with more than 100,000 dependents and civilian employees.

None of Britain's allies has such a high proportion of its troops in West Germany, except for the Belgians, and they are already running down their forces there. Nobody has Britain's long-term treaty commitment.

Although long taken for granted, it has become more and more of an anomaly. As total Army strength has shrunk (by more than a quarter in the past 25 years to below 153,000 today) the proportion assigned to the BAOR has increased.

For the Army, the European role provided an alternative foreign peace-time base after the end of empire in India, which in the course of 200 years became a spiritual home and moulded many of its regimental traditions.

The treaty protocol that Sir Anthony Eden signed as Foreign Secretary in 1954 pledged the UK to maintaining its forces in Germany except by consent of the rest of the Western European Union. It runs to 2005. But then Britain can be expected to have nothing like the same forces in place, if indeed any.

British forces in Germany derive their present structure from the allied advances of the Second World War. The section covers 40 miles of inner German border, on the north German plain east of Hanover. The BAOR's main fighting formation, 1st (British) Corps is made up of three armoured divisions comprising eight armoured brigades. These would be reinforced in a crisis by a UK-based infantry division and an extra infantry brigade.

The re-think now under way in Nato and in the British Government might reduce that eventually to the strength of one division - "the very minimum that makes any sense at all," senior officers say. As part of a new joint allied force structure, the British are likely to require reciprocal facilities for their troops. And whereas British opinion might accept continuing to pay for a presence in Germany, it might take less well to the thought of a Panzer brigade ploughing across Wiltshire. As one British Army officer admitted: "You never look after other people's property the same way you look after your own."

Soldiers going to Germany are aware of the increasing unpopularity of manoeuvres there. The British, notorious for doing minor damage, have argued strongly with the Germans for the need to keep up training, but it is a losing battle. The scope is likely to be ever more restricted. Two of this year's main autumn exercises have been sharply scaled back.

Germany is becoming less and less attractive as a posting. It still provides duty-free perks and tax-free cars but there are complaints about allowances and job opportunities for wives. "People begin to feel that if the threat isn't there, and therefore you are not seen to be doing an important job, you might as well be in England," a senior officer said.

The BAOR is the centrepiece of the armed forces restructuring under discussion in the Ministry of Defence. Mr Tom King, the Defence Secretary, is expected to provide the Cabinet with an interim report on the Options for Change review by the end of July.

Provocatively radical ideas circulated inside the Government last year by Mr Alan Clark, his number two for procurement, were partially leaked in

## Armed forces in the firing line



Fighting for their future: Sandhurst cadets at the Sovereign's Parade

May, causing what other top MoD figures describe as a "diversion."

The debate rehearsed an old polemic about continental versus maritime commitments. Being on the central front cost Britain £4.35bn in the last financial year. £3.2bn for the BAOR alone, £600m more than all naval operations. Of the total, £1.37bn was spent in D-Mark.

The last defence review in 1981 proposed sacrificing the Navy for the central front. It never happened because of the Falklands, which gave the Navy its largest operation since the Second World War. Subsequently, however, the MoD's planners argued that defence could not be built around "one-offs" like the Falklands. The main determinant had to remain the Soviet threat and the UK's part in Nato's military structure.

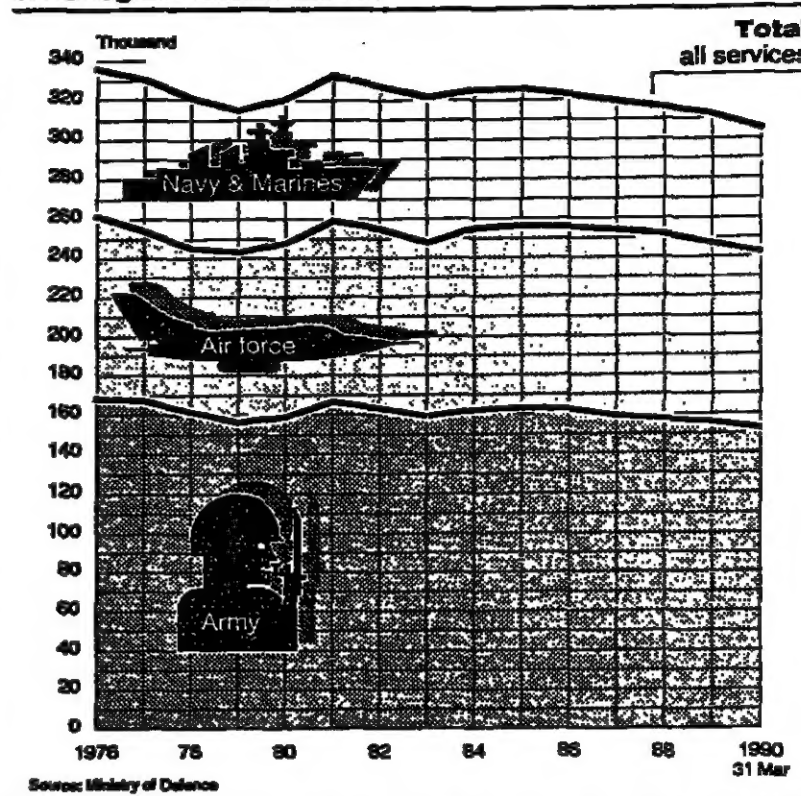
Now all the assumptions about the threat have gone out of the window. The planners are still gathering their wits. The risk of total war is remote, and anyway, once conventional arms control is in place and Soviet forces have pulled back, senior British commanders recognise they would have months of warning to prepare against all-out attack.

Speculation and rumour about future cuts are running ahead of the studies, eating away at morale, particularly in the Army. Captains and majors, corporals and sergeants, people with full Army careers ahead of them, want to know what is going on. More and more are leaving. The Army is now 5,200 short of its target of 138,000 trained personnel. A package of measures to improve retention is due next June. Overall, the services are losing annually 6,000 more people than they recruit.

The armed forces' whole structure, size and organisation are being reassessed. If the risk in Europe no longer comes from a hostile bloc but from instability from the theoretical danger of resurgent Russian military ambitions, how is it to be countered? What emphasis should be given to that, or to more immediately likely emergencies, such as flare-ups in remote places or civil violence at home? How much should Britain plan to fulfil these tasks itself, and how much should it count on allies?

Everything points to more fluid defences, with a longer reach. The reasons for Nato fielding its various

## UK's regular armed forces



armoured corps in a north-to-south "layer cake" across its central region have vanished. The difficulty is finding a suitable level for this transitional stage in European security. Later, it will be easier to make more cuts than to build up again.

The Navy is fighting its corner, anxious to show itself performing a world role (the Gulf, drugs patrols in the Caribbean, evacuation support off Liberia), insisting that Britain has an essential role in anti-submarine warfare and arguing that manning is already tight. But nobody believes it will escape the cuts. It is hard for the Navy to make firm arguments on the numbers of ships required, and the admirals are actually less concerned about overall numbers than the proportion of modern ships.

The Royal Air Force also stands to be hit as the role of RAF Germany, part of the 2nd Allied Tactical Air Force, is under scrutiny. The RAF

argues it could take all the aircraft from its German squadrons in the UK, but realises it would not be allowed to do so. And it has nowhere to house RAF Germany's 12,000 personnel. The Army has the same predicament. "You don't save money by moving people back from Germany to the UK," Field Marshal Lord Bramall, a former Chief of Defence Staff, told a recent hearing of the Commons Defence Committee. Unless the Army got rid of people, it would involve large capital outlays to accommodate them. As one officer said: "For the past 10 years we have been divesting the defence estate as fast as we can to property developers."

There is also increasing pressure from environmentalists against the expansion of military training areas in the UK. Experts believe that the Army, already smaller than the West German, French, Italian or Spanish

armies, which all rely on conscription, could be cut by a third over the next four or five years.

The Army has come late to thinking about big changes. For the first half of last year it was busy drawing up plans for recruitment and retention to keep numbers up in the demographic trough of the 1990s. Nato proposals for cutting heavy armaments in the Vienna CFE arms talks were tabled more than a year ago. But the Army reckoned it could easily absorb the 10-15 per cent equipment reductions proposed for the Nato side, with minimal effect on front-line units. It had to lose 150 tanks, they could be taken out of war maintenance stocks, or tank squadrons could be reduced in size, or regiments could have fewer squadrons. The reduction would at most amount to an armoured brigade of 5,000-7,000.

But that was not accounting for political expectations and pressures from the Treasury and other government departments vying for funds. Senior officers say the BAOR is likely to lose at least the equivalent of a division - 15,000-20,000 men - as a result of a CFE agreement. It has not yet been decided which units would go. Criteria will include how up-to-date a unit's equipment is, where it is located, how close it is to training areas, and even what its barracks are like.

"There's no point giving away the Ritz to retain the Travelodge," a commanding officer said.

Two or three brigade headquarters might go, possibly a divisional HQ. Five or six of the BAOR's 12 armoured regiments might be directly affected. They would not all be required in the UK. Some might "re-role" as armoured reconnaissance regiments with lighter vehicles. But some will be redundant. As the jargon goes, they will have "no place in the regular order of battle." And officers see little point transforming them into Territorial Army regiments when the TA cannot meet its current recruitment target of 95,000.

Reductions would not stop at the cavalry units of the Royal Armoured Corps. The infantry could easily lose 10 of its 55 regular battalions. Commitments in Northern Ireland and expected future commitments in Germany would require about 30 of those battalions. Overseas, there are battalions in Cyprus, Belize and the Falklands, but the Army is set to leave Gibraltar and the Gurkhas (five infantry battalions, including one on hire in Brunei) will lose their Hong Kong base in 1997. Last year Britain promised to keep a reduced Gurkha brigade, but that is being reconsidered.

Holding to its cherished regimental system, the Army faces the trauma of a new phase of units being amalgamated or disbanded. There will be a fight to keep "cap badges." Some bigger regiments - such as the Royal Green Jackets, the Royal Anglians or The Queen's Regiment, with three battalions each - could be rationalised by cutting a battalion. Most battalions are below their 650-man strength anyway.

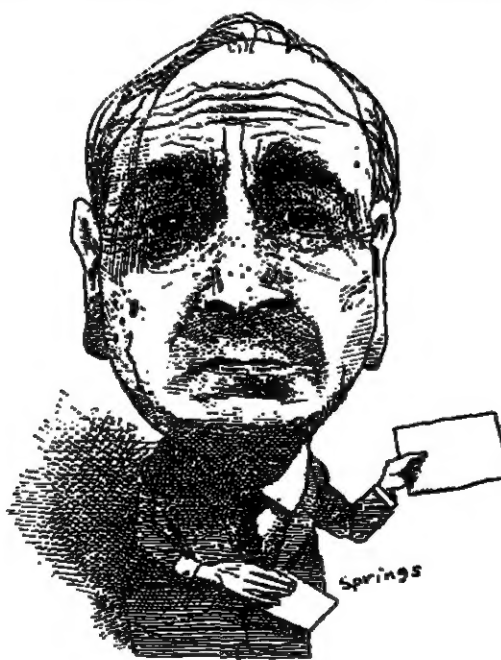
Units are now trying hard to build up to full strength to avoid the axe. The 3rd Battalion The Queen's Regiment has started offering £100 and a month's leave to anyone who brings a new recruit.

Small single-battalion regiments (such as the Royal Hampshire Regiment, The King's Own Border Regiment, or the Staffordshire Regiment) often command strong local attachments, but a number are in danger of disappearing. "There will be all hell to pay," one senior officer said, recalling the outcry 20 years ago over proposals to disband the Argyll and Sutherland Highlanders (regimental nickname: The Thin Red Line). "Nobody," the officer said, "would want to go down in history for chopping them."

## MAN IN THE NEWS

Lord Young  
Clever outsider with a lordly new role

By John Plender



ket as a genuine pioneer - one of the first to specialise in building industrial estates near exits to motorways. The business also developed offices and shopping centres. At its peak it employed about 2,000 and Young became a paper millionaire when the company was sold to Barry East's Town & City Properties in the early 1970s.

The decision to take Town & City shares was a grave mistake. Young's fortune was completely wiped out in 1974 when the company's break-neck expansion ended in near-collapse. It was left to Jeffrey Sterling, by then chairman of Sterling Guarantee Trust, whom Young had introduced to a number of joint ventures with Town & City, to rescue the company. He did so, with support from Barclays and the Prudential, in order to protect his company's investment.

Young's political career might never have happened if he had been more resolute at this point in following his instincts. Having lost a fortune

and become depressed with the political climate after the miners' strike and Michael Foot's trade union legislation, he decided to go to the United States with a view to emigrating. On his first morning there - he disarmingly admits to having stayed at the Ritz-Carlton in Boston, which is a novel approach to emigration - he woke to the sound of police sirens and the smell of tear gas, in one of the first school bussing riots. His wife told him he would be crazy to stay.

So he returned only a day later to Britain and subsequently restored his fortunes through a joint property lending venture with the London arm of the US commercial bank Manufacturers Hanover and a shareholding business called Greenwood.

Former business colleagues respect Young's energy, ability, openness and sense of fun, while suspecting that his marketing initiatives at the Department of Trade - "the department for enterprise" - were more form than substance.

Most were astonished by his effortless rise in politics. The entrée was provided by Sir Keith Joseph, the intellectual draftsman of the Thatcherite programme and, incidentally, a director of Cable & Wireless since 1986. There followed jobs as the director of the Centre for Policy Studies, Joseph's Thatcherite think tank, the chairmanship of the Manpower Services Commission, ennoblement and ministerial office.

Young's is a classic case of a reputation that differs enormously inside Westminster from without. He undoubtedly made mistakes at the DTL, an acknowledged graveyard of ministerial reputations. But to the non-parliamentarian, his performance over House of Commons questions, his handling of the hapless Nicholas Ridley, whose failure to take action against the Fayed brothers is now to be subjected to a judicial review at the instigation of Lord.

Young's initially uncharitable attitude to the tax-avoiding investors in Barlow Clowes

Gibraltar operations showed a certain respect for the taxpayer's interests. His early support for the Monopolies Commission Report calling for big brewers to divest many pubs looked an impeccably bold Thatcherite tilt at established interests. And the Rover sale might not have been so differently handled by any other minister, given the political constraints on a sale to such interested foreign contenders as Ford Motor Company.

But Young was never a member of the Commons club, which is an unforgivable sin to many on the Tory backbenches. He is both clever, Jewish and an entrepreneur, none of these attributes being any great recommendation in certain Tory circles. He owes his position solely to the Prime Minister's patronage. And he has alienated powerful Conservatives, not least Norman Tebbit during the 1987 election campaign.

Young admitted yesterday that he was upset by recent criticisms - above all by what he called "shameless hypocrisy" from fellow Tories over the Rover sale. He himself attributes his problems to the remoteness of a cabinet minister who has by-passed the Commons on the way to the Lords. He cannot use the House of Commons bar and is denied access to parts of the Commons where even lobby journalists are permitted. But he also relishes the prospect of returning to full-time business (and a continuing but reduced role at US investment bankers Salomon Brothers). Relations with Mrs Thatcher are said to remain good.

His previous close contacts with the Chinese and Japanese leadership should be of some considerable help to Cable & Wireless. So, too, will experience managing a large government department. How readily his entrepreneurial, deal-making instincts will fit into the big company ethos at C & W remains to be seen. But his colleagues are guaranteed a lively time.

## RAISED IN THE HIGHLANDS.

THE FAMOUS GROUSE  
FINEST SCOTCH WHISKY

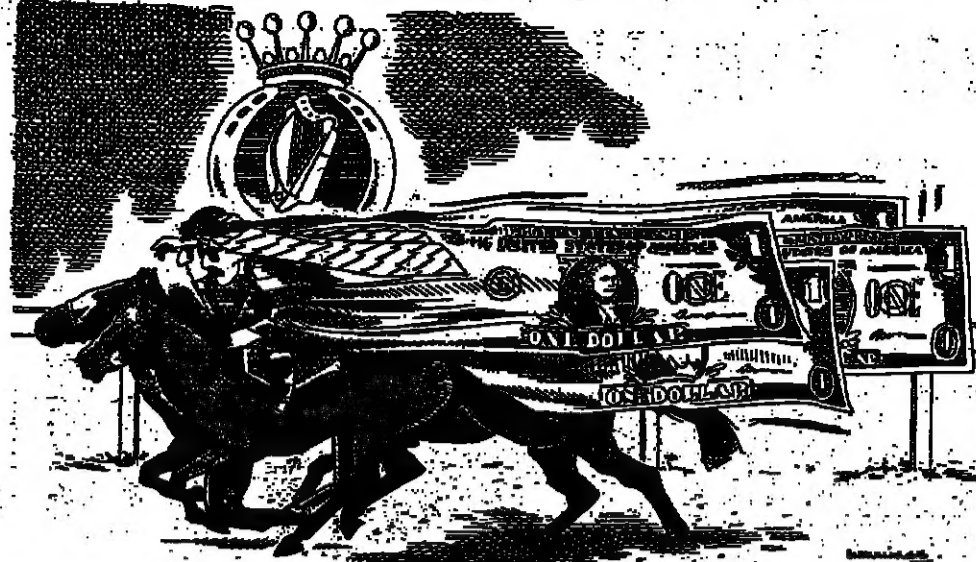
QUALITY IN AN AGE OF CHANGE.

John Plender



# Heavy going in the racing game

Single-minded Arab owners are raising the stakes in the sport of kings, says Kieran Cooke



The Irish are horse mad. In parts of the country distances are not measured in miles but in stud farms. There are race meetings on most days of the year, including Sundays. Ireland has 29 racecourses catering for the punting needs of a population of only 3.5m. In Britain there are 58 tracks — for a population of 50m.

But these are tough times in the racing world. As any aficionado will testify, horse racing is a risky business. In recent years the Irish, the English and the Americans — who once controlled the vital breeding side of the industry — have been left at the starting gate by the new Arab owners, in particular Sheikh Mohammed and his brothers of the ruling Maktoum family in Dubai, and Prince Khalid bin Sultan of Saudi Arabia. These two families, together with the Aga Khan, are the real powers in racing today.

Of the first three horses past the post in the Epsom Derby earlier this month, two were Arab-owned, with Prince Khalid winning both the blue riband of English racing and its French equivalent, the Prix du Jockey Club, in the same week. Hamdan bin Rashid, owner of the Maktoum family's stable, won last year's Epsom Derby. He also had the winner of last Saturday's Oaks Classic. The odds are that Arab-owned horses will once again be in the winner's enclosure at next week's Royal Ascot meeting.

It is almost impossible to compete with this new force in racing. Nothing illustrates the risks better than the fortunes of an Irish company called Classic Thoroughbreds. The company was introduced to the Dublin stockmarket in 1987. Its aim was to utilise public funds to invest in one-year-old horses — or yearlings — which would be trained in Ireland and compete in particular in the Classics, the top thoroughbred races in Ireland, England and France.

The chairman of Classic Thoroughbreds is Mr Vincent O'Brien, the legendary Irish trainer whose stables in Tipperary have produced winners in six Epsom Derbys and in numerous other Classics. Mr Robert Sangster, the Liverpool-based multi-millionaire and long-time horse owner who has had a long partnership with Mr O'Brien, is a director, along with several other well-known wealthy Irish businessmen,

including Mr Michael Smurfit, the head of the Smurfit paper and packaging group, Ireland's largest public company. Though Classic Thoroughbreds' directors emphasised the risks involved in investing in the company, the offer was three times oversubscribed. But those who felt they were backing a favourite were to be disappointed. In three years Classic Thoroughbreds has not produced a single Classic winner. The company's shares have fallen badly — from a high of Irish £10 down to Irish 10p now. In 1988 the company's pre-tax losses rose to Irish £5.78m, from a loss of Irish £1m in the previous year.

Other companies which have tried their hand at the racing game have found the going heavy. The death of one of its most valuable racehorses caused Impish Thoroughbreds, an Irish racing and breeding concern, an operating loss of more than Irish £300,000 last year. Leading Sires, a company backed by Allied Irish Banks, which invests in stallions, has recently changed its name to Leisure Holdings and is now using much of its money to invest in activities well away from the racetrack.

A distinctly techy group of shareholders at Classic Thoroughbreds' annual general meeting in a Dublin hotel last week wanted to know why the company was not producing winners. "We have had our problems," said Mr O'Brien, who, at 73, looked a little weary.

Control of a small number of bloodlines or pedigrees is vital to achieve success at the top end of the racing business. The years after the war marked the decline of the aristocratic group of families in the UK and Europe who had controlled the sport. The US had the dollars to import much of the best breeding stock. As a result, European owners and trainers have since gone to the US, mainly to Kentucky, bought foals and yearlings, and brought them back to train and eventually race.

It was vitally important to pick the right horses. Mr O'Brien is acknowledged as a master of the art. He is credited with being the first to realise the potential of a horse called Northern Dancer, now described as the greatest stallion of all time. Throughout the 1970s and early 1980s Mr O'Brien, backed by Mr Sangster's money, bought Northern Dancer progeny. The Sangster-O'Brien partnership, with Lester Pigott as jockey, was first in Classic after Classic.

A great deal of money was made along the way. This did not come directly from winning races — mainly three-year-olds — to syndicates for stud. The Minister, a Northern Dancer colt bought at Kenilworth for £200,000 by Mr O'Brien and Mr Sangster, was trained in Ireland, won the English and Irish Derbys in 1977. The horse was then sold to stud — for \$9m. Sadlers Wells, also a son of Northern

Dancer and kept at an Irish stud associated with Mr O'Brien, is among the world's most valuable stallions. An owner would have to pay up to \$150,000 to have a mare "covered" by Sadlers Wells. In a year a stallion might cover more than 100 mares.

However, by the mid-1980s the O'Brien-Sangster partnership was running into problems. The winners were not appearing with the same frequency as in the past. Mr Stavros Niarchos, the Greek shipowner, whose vast wealth had backed the partnership, had pulled out. Prices at the sales had meanwhile gone through the roof, with unproven yearlings fetching more than \$10m.

Some blamed Mr Sangster and Mr O'Brien for having encouraged the price rises. A generous regime of tax breaks in the US, since withdrawn, attracted substantial amounts of money from Wall Street and elsewhere into the sales rings. But above all it was the entry of the Arab bidders which drove up prices, and marked the decline of the O'Brien-Sangster partnership.

Estimates of just how much the Arabs have invested in the racing industry over the past 10 years vary from \$500m to \$1bn. Sheikh Mohammed bin Rashid al-Maktoum, Dubai's Minister of Defence, 40, is the world's biggest owner, with about 800 thoroughbreds. Kildangan, a 1,500-acre stud farm 40 miles south of Dublin,

is the centre of the sheikh's horse-breeding operations, one of six studs he owns in Ireland and England. It is, according to the manager, Mr Michael Osborne, the best stud farm in the world. "We have the best bloodlines, the best people, the best facilities, the best feed," he says.

More than 100 people work at Kildangan. Last year staff prepared more than 200 thoroughbreds for training. Computers keep track of each of the sheikh's horses, where they are racing, and how they are performing. Sheikh Mohammed's horses won four out of the five Irish Classics last year. But he has yet to win an English Derby. Few doubt that it will happen.

"There has never been such a power on the racing scene before," says Mr Osborne. "But while it looks set to continue, others must come along. Perhaps the Japanese will start spending their money on the thoroughbred business."

Sheikh Mohammed and the other Arab owners do not seem to have any particular interest in making money. They are driven by a single-minded determination to be top of the racing league. Money is used to buy the best.

The Arab owners do not sell many of their Classic winners to stud syndicates. They prefer to continue racing their horses or use them for their own "in-house" breeding. This has given rise to fears that Arab owners are trying to control bloodlines and aim to achieve a monopoly on a central part of the racing business. What the Bunker Hunts tried to do with the silver market, say the critics, the Arabs are trying to do with horses.

"That's just not true," says Mr Osborne. "About 75,000 thoroughbred foals are produced each year. Out of those only one will win the Derby. We still have to pick the right one. In this game you'll run out of money long before your money runs out."

In the case of Classic Thoroughbreds it is clear that the money has started to run out. Of course there is always a chance that the old O'Brien magic might work. Last week Mr O'Brien talked of the great possibility of a horse called Royal Academy, due to run in next week's St James Palace Stakes at Ascot. The odds might be unfavourable. But for the earnest horseman, there is always just one more gamble.

## Hugh Carnegie on the hopes and fears of Soviet Jewish families recently settled in Israel

### Voting with their feet

Crammed into the small kitchen of a government "absorption" apartment near Jerusalem, the Tinkajov family from Moscow prepared an elderly bottle of Cointreau around the supper table laid with salad, sausage and pungent Russian sardines.

Mrs Irene Tinkajov explained cheerfully that the liquor had been given to her mother by a visitor from France after the Second World War. She had kept it for more than 40 years for a special day. "When we came here, my mother said: 'Now we shall open it.'"

With a chink of ill-assorted glasses and a round of laughter, Mrs Tinkajov, her husband Lev, her mother Sofia and her pregnant daughter Sasha and husband Boris and second daughter Kira drank to their new life in Israel. The atmosphere was one of excitement — almost euphoria. For now, at least, there was no hint of the difficulties of their decision, in common with thousands of other Soviet Jews, to exchange life in the troubled Soviet Union for life in the fraught Middle East.

The family left Moscow on May 26, complete with Rikhi Tikki Tavi, the ginger cat, and two kittens. Like many Jewish emigrants — almost certainly the majority — Irene and Kira would have preferred to go to the US. But they fell in with the desire of the rest of the family to head for Israel.

The Tinkajovs, like most of the Soviets now streaming into Israel, are not passionate Zionists. Nor are they religious. Kira, a medical student, expressed the wish for a world without nation states. But their perception of danger in the Soviet Union, and their relief to be in a welcoming society, is palpable.

Irene, an engineering PhD, says the family feared the instability in the Soviet Union. "We know history. If the situation is unstable it becomes dangerous for all of the Jewish people. We know that there were far too many parallels with Germany in the 1930s."

The desire to escape, rather than the urge to settle in Israel, is acknowledged by Israeli officials to be the primary motive among the Soviet emigrants. Almost 50,000 of them have arrived so far this year and in excess of 500,000

are expected over the next two to three years if their exit is not blocked.

But their arrival, and especially the question of how many may settle in Israeli-occupied Arab territories, has become a contentious issue in the Arab-Israeli conflict. Politicians in Israel proclaim the influx as a boost to the country's strength. Arabs also see it thus, and therefore as a threat to themselves. The issue has helped to fuel renewed talk of war in the region.

The Tinkajovs say they have no intention of settling in the occupied territories — they seek a quiet life in Israel after the everyday struggles in Moscow and desire peace for Arabs and Jews. But their identification with Israel already seems strong.

"Here 3.5m Jews are surrounded by millions of Arabs. In the Soviet Union Jews are not surrounded by millions of hostile people. But in the

The desire to escape, rather than the urge to settle in Israel, is acknowledged to be the primary motive among the Soviet emigrants

Soviet Union the Jews are dispersed," said Mr Tinkajov, a computer engineer. "There is a very strong and strange feeling that this is our place and we must make our contribution," adds his wife.

With political opinion in Israel so finely divided between those who favour territorial concessions to the Palestinians and those — like the right-wing coalition Government installed this week — who most definitely do not, much in the Middle East may depend on the way opinions among immigrants like the Tinkajovs take shape.

After nearly six months in Israel, Mrs Tinkajov, another Soviet emigrant, says she has yet to make up her mind. Katya, and daughters Lena and Sonia, in December last year and is now living in an apartment in Gilo, a suburb of Jerusalem, built on former

Arab land annexed to the city after the 1967 Six Day War. He confesses his dislike for the new Government and says the political situation worries him. He says, very tentatively, that the solution lies in somehow separating Arabs and Jews, and suggests ceding the West Bank and Gaza Strip to the Palestinians may be the answer. "I hope the US and western European countries will help to find solutions to these problems because I'm sure Israel alone cannot."

What worries Mr Savitsky most, however, is what he regards as the country's chronic lack of preparedness to cope with such a large influx of people. "It is a great problem. It is a huge influx. It is one thing to cope with 40,000 people as now, but when they have 400,000 it will be a catastrophe," he says.

The lack of jobs, a looming housing shortage, with a consequent rise in unemployment, rising prices, and the high cost of living are what alarm him. A patents specialist, he now has part-time work and some hope of a full-time job. Katya is a talented seamstress. Even so, he is not optimistic.

"My main problem is to build a base for my family. It will take me many years to get even the cheapest apartment, the cheapest car. I see that it is much easier to start out in the US — although the US is a tough country."

He acknowledges the warm welcome he and his family have received in Israel. Assuming they find employment, they are happy to stay. But he says his wife still advises other Jews to come to Israel. But he admits — ironically given the years of struggle to leave Moscow — that he feels trapped in Israel.

He objects to rules forcing him to renounce the state's citizenship on his family if he leaves the country within five years — as he might choose to do if he cannot find a job. He says that the authorities should remove the penalties for re-emigration although for the authorities to do so would be an almost unthinkable admission of failure.

"Right now, Israel needs fast and radical decisions," he says. Otherwise, "this great Russian *aliyah* (immigration) will turn Israel to the worse, not to the better."

## LETTERS

### Aid for rail pioneers

From Mr Andrew Mitchell.  
Sir, The Government's reluctance to contribute financially towards the construction costs of the high-speed Channel rail link should be contrasted with the opposite stance taken by a predecessor Government 180 years ago when it provided funding at a critical time in the construction of the world's first passenger railway.

Had not the Exchequer Loan Bill Commission put up £100,000 in 1827, it is unlikely that the Liverpool and Manchester Railway would have been built.

In terms of its time that was a mammoth construction project comparable to the high-speed link. Its successful completion sparked off the

massive railway building boom on which Britain's industrial leadership of the world in the last century depended. The £100,000 which private developers are seeking as a contribution from today's Government is probably a rough value equivalent of the £100,000 pump-priming cash provided by the 1827 Administration.

Perhaps the age of British industrial pre-eminence depended as much on an entrepreneurial spirit in politicians as in the Victorian businessman.

Andrew Mitchell, Managing Director, Mitchell Instruments, Unit 9, Nuffield Close, Nuffield Road, Cambridge

### A defect of the English language

From Professor Leslie Hannah.  
Sir, I fear that in publishing the trivial correspondence on chair "man" or "woman" you are diverting scarce British resources of wit and inventiveness to less urgent national purposes. Consider, for example, the need for a (polite) word for what Lord Young is doing at Cable and Wireless.

The French have *panse-passe* (donning house slippers); the Japanese have *amakudori* (descent from heaven). English is quite bereft of a noun. Leslie Hannah, London School of Economics, Houghton Street, WC2

### BES is alive and kicking

From Mr T.C. Villiers.  
Sir, More than £1.2bn has been invested in around 1,400 public companies by more than 85,000 private individuals since the Business Expansion Scheme was introduced in 1968. Tax relief is given by the Government to compensate the high risk associated with investing in these small companies.

What seems to have escaped the notice of both Kevin Goldstein-Jackson ("Some home truths" May 28) and Mr Macleod (Editor June 9) is the nature of that risk. A number of fully listed companies are currently all too real examples of how any company can lose its shareholders' funds, and other than offsetting those losses against other gains, there is no tax relief for those private investors. It is the illiquidity of BES shares, the difficulties of finding exit routes, and the lack of dividends that are the basis for the tax relief.

It is difficult to respond to all the points made by your correspondents without knowing the detail of their portfolios and their reasons for choosing particular investments: did they rely on their own judgement, or did they depend on others, such as a professional adviser or the two industry newsletters that analyse the investee companies?

Advice was certainly needed because not all early investee companies were good investments: 36 per cent who raised money in 1983-84 have since failed, with 20 per cent of the invested money being lost. But as experience in managing equity investments in these small companies has improved, the failure rate has diminished so that comparable figures for 1988-89 are 9 per cent failed and 3 per cent of the money lost.

One simple lesson to draw from these figures is that lower capitalised companies are more vulnerable, and this is one reason why the BES industry regrets the imposition of a £500,000 cap two years ago (raised to £750,000 in the last Budget) on the amount that most BES companies can raise in a year. Such a low limit makes the money expensive to raise, and companies of this size find it difficult to attract the experienced high quality management needed. For these reasons, the BES Association will continue to press for a higher level of funding.

A number of promoters are

proving that it is possible to provide tax-efficient investments in good companies and a valid way out for investors. Johnson Fry has 11 companies whose five-year period will be up in 1990, and the shareholders in all of them will be given the opportunity of disposing of their shares at a fair price before the year is out. Capital Ventures has already provided a way out of 71 per cent of the companies for which it raised money.

It is only the finance director's abbreviated name and youth that prevents Mr Macleod investing £40,000 in one BES company. I shudder. Surely he understands the need to spread his risk. The choice of companies seeking funds is wide, even if scallions or crisping around the Hebrides do not interest him.

There will always be those who wish to minimise risk by investing in gilts, but equally there will always be those who look for capital gain out of their investments. Mr Goldstein-Jackson's investment in Graham Wood plc has done him nicely: thank you: an investment costing 55 pence per share before tax relief, in a company now fully listed at 165 pence is a fair gain by any standards. Although there are problems in finding exit routes in a number of instances, these are likely to diminish as experience grows and as the general trading climate improves over the next few years.

Finally, Mr Goldstein-Jackson wonders what has happened to the flow of prospectuses. As companies have only 40 days to raise their minimum subscriptions from the date of issuing the prospectus, they are only inclined to invite the public to buy shares when investors show a willingness to take their cheque books out.

History shows that they seem loath to do this in May and June, so there are few, if any, offers about at this time of the year — a classic case of the chicken and the egg perhaps. However, have no fear, the fund of these weighty documents landing on doormats will resume shortly.

I do not believe that the BES is yet in its death throes: there are still plenty of companies and investors willing to make use of its unique attributes. T.C. Villiers, Chief Executive, The BES Association, 29 Maddox Street, W1

### The priorities of parents who pay MGS fees

From Mr Richard N. Kelly.  
Sir, David Waller ("The religion of success," June 2) sneers at Manchester Grammar School's emphasis upon examination success and Oxbridge entry, but fails to point out that these priorities are exactly those expected by those who pay the school fees.

The fact that the school's entrance examination each year attracts applicants whose number far exceeds the places available suggests that these priorities are widely shared by parents in the Manchester area. As a school that exists independently of direct state funding, we must reflect the wishes of the market in order to survive. To ignore this reality indicates a naivety surprising from a journalist on the FT.

I must declare that most of us at the school do not resent the publication of Mr Waller's article; it provides us with one of our most striking advertisements of recent years. Its stress upon our "single-minded" pursuit of academic excellence is one that will appeal to many parents considering their sons' second-

ary education. Nevertheless, a number of tendentious comments were made which merit a response.

First, his observation that the school's buildings invoke memories of Colditz and the Lancashire cotton mills make it easy to see why Mr Waller chose not to study history at university. Furthermore, if he had ever visited some of the state schools in the Manchester area, he might not consider MGS such an architectural monstrosity.

Secondly, his claim that the masters at the school were "recognisably the same as those who taught me" implies either that he is prone to nostalgic delusion or that the vast majority of my colleagues were mysteriously absent on the day of his visit. There has, in fact, been a 35 per cent turnover of staff in the last five years alone.

Thirdly, he recalls that the boys in the few lessons he attended were "meek" and "reticent." Allowing for the natural tendency of young boys to be more reserved than usual in the presence of an

intruder, might it not be that "attentive," "interested" and "concentrating" were more apt descriptions?

Fourthly, his assertion that most of our pupils are cynical and sceptical does not worry us too much given that such characteristics are often the by-product of rudimentary scholarship; by to say they result from being "throwback" by "the system" is odd. Surely they are more likely to be the effects of adolescence rather than any particular scholastic regime? Are the teenagers Mr Waller meets from other schools (inner-city comprehensives, for example) wondrous, credulous and socially accomplished by comparison?

I am not quite sure what role he expects a school to fulfil. I cannot think of any that manages to produce, on a conveyor-belt basis, the sort of "well-rounded" individuals he seems to think can be moulded by the age of 18 — with or without academic distinction.

Richard N. Kelly, The Common Room, Manchester Grammar School

### One man's meat is another man's import curb

From Mr Brian Reading.  
Sir, What's new? A Punch cartoon of September 27, 1989 was captioned: "According to the Standard, by the new meat inspection law, just come into force in the US, American cattle and pigs for export to England, France or Germany are to be inspected before leaving

American inspectors, the US President is authorised to retaliate by directing that such products of such foreign states as he may deem proper shall be excluded from importation into the US."

Brian Reading, 63 Shakespeare Tower, Barbiton, EC2

BUILDING SOCIETY INVESTMENT TERMS									
	Product	Applied rate net	Net CAR	Interest paid	Minimum investment	Access and other details			
Alliance and Leicester*	Capital Choice	12.75	12.75	Yearly	£1,000	10p			
	Gold Plan	11.00	11.00	Yearly	£1,000	10p/20p/25p/30p/40p/45p inst. acc.			
	Ready Money Plan	7.00	7.12	Yearly	£20	instant access			
	Cash Plan	9.00	9.00	Yearly	£25,000	9.65p/10.50p/12.50p/14.50p/16.50p/18.50p/20.50p/22.50p/24.50p/26.50p/28.50p/30.50p/32.50p/34.50p/36.50p/38.50p/40.50p/42.50p/44.50p/46.50p/48.50p/50.50p/52.50p/54.50p/56.50p/58.50p/60.50p/62.50p/64.50p/66.50p/68.50p/70.50p/72.50p/74.50p/76.50p/78.50p/80.50p/82.50p/84.50p/86.50p/88.50p/90.50p/92.50p/94.50p/96.50p/98.50p/100.50p			
	Widely Day	12.25	12.25	Yearly	£25,000	12.25p			
	Summit	11.00	11.00	Yearly	£25,000	10.50p			
	Quantum Plan	12.25	12.25	Yearly	£25,000	12.25p			
	Quantum Ultra	15.75	15.75	Yearly	£25,000	15.75p			
	Masterplan	10.00	10.00	Yearly	£10,000	10.00p			
	Masterplan Plus	11.00	11.00	Yearly	£10,000	11.00p			
Barclays Bank	Capital Choice	11.50	11.50	Yearly	£1,000	10p			
	Capital Choice Plus	12.50	12.50	Yearly	£1,000	10p			
	Capital Choice Ultra	13.50	13.50	Yearly	£1,000	10p			
	Capital Choice Ultra Plus	14.50	14.50	Yearly	£1,000	10p			
	Capital Choice Ultra Plus Plus	15.50	15.50	Yearly	£1,000	10p			
	Capital Choice Ultra Plus Plus Plus	16.50	16.50	Yearly	£1,000	10p			
	Capital Choice Ultra Plus Plus Plus Plus	17.50	17.50	Yearly	£1,000	10p			
	Capital Choice Ultra Plus Plus Plus Plus Plus	18.50	18.50	Yearly	£1,000	10p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus	19.50	19.50	Yearly	£1,000	10p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus Plus	20.50	20.50	Yearly	£1,000	10p			
British and West	Capital Choice	11.00	11.00	Yearly	£10,000	11.00p			
	Capital Choice Plus	12.00	12.00	Yearly	£10,000	12.00p			
	Capital Choice Ultra	13.00	13.00	Yearly	£10,000	13.00p			
	Capital Choice Ultra Plus	14.00	14.00	Yearly	£10,000	14.00p			
	Capital Choice Ultra Plus Plus	15.00	15.00	Yearly	£10,000	15.00p			
	Capital Choice Ultra Plus Plus Plus	16.00	16.00	Yearly	£10,000	16.00p			
	Capital Choice Ultra Plus Plus Plus Plus	17.00	17.00	Yearly	£10,000	17.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus	18.00	18.00	Yearly	£10,000	18.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus	19.00	19.00	Yearly	£10,000	19.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus Plus	20.00	20.00	Yearly	£10,000	20.00p			
Britannia	Capital Choice	11.00	11.00	Yearly	£10,000	11.00p			
	Capital Choice Plus	12.00	12.00	Yearly	£10,000	12.00p			
	Capital Choice Ultra	13.00	13.00	Yearly	£10,000	13.00p			
	Capital Choice Ultra Plus	14.00	14.00	Yearly	£10,000	14.00p			
	Capital Choice Ultra Plus Plus	15.00	15.00	Yearly	£10,000	15.00p			
	Capital Choice Ultra Plus Plus Plus	16.00	16.00	Yearly	£10,000	16.00p			
	Capital Choice Ultra Plus Plus Plus Plus	17.00	17.00	Yearly	£10,000	17.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus	18.00	18.00	Yearly	£10,000	18.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus	19.00	19.00	Yearly	£10,000	19.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus Plus	20.00	20.00	Yearly	£10,000	20.00p			
City of London	Capital Choice	11.00	11.00	Yearly	£10,000	11.00p			
	Capital Choice Plus	12.00	12.00	Yearly	£10,000	12.00p			
	Capital Choice Ultra	13.00	13.00	Yearly	£10,000	13.00p			
	Capital Choice Ultra Plus	14.00	14.00	Yearly	£10,000	14.00p			
	Capital Choice Ultra Plus Plus	15.00	15.00	Yearly	£10,000	15.00p			
	Capital Choice Ultra Plus Plus Plus	16.00	16.00	Yearly	£10,000	16.00p			
	Capital Choice Ultra Plus Plus Plus Plus	17.00	17.00	Yearly	£10,000	17.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus	18.00	18.00	Yearly	£10,000	18.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus	19.00	19.00	Yearly	£10,000	19.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus Plus	20.00	20.00	Yearly	£10,000	20.00p			
Co-operative	Capital Choice	11.00	11.00	Yearly	£10,000	11.00p			
	Capital Choice Plus	12.00	12.00	Yearly	£10,000	12.00p			
	Capital Choice Ultra	13.00	13.00	Yearly	£10,000	13.00p			
	Capital Choice Ultra Plus	14.00	14.00	Yearly	£10,000	14.00p			
	Capital Choice Ultra Plus Plus	15.00	15.00	Yearly	£10,000	15.00p			
	Capital Choice Ultra Plus Plus Plus	16.00	16.00	Yearly	£10,000	16.00p			
	Capital Choice Ultra Plus Plus Plus Plus	17.00	17.00	Yearly	£10,000	17.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus	18.00	18.00	Yearly	£10,000	18.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus	19.00	19.00	Yearly	£10,000	19.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus Plus	20.00	20.00	Yearly	£10,000	20.00p			
First Direct	Capital Choice	11.00	11.00	Yearly	£10,000	11.00p			
	Capital Choice Plus	12.00	12.00	Yearly	£10,000	12.00p			
	Capital Choice Ultra	13.00	13.00	Yearly	£10,000	13.00p			
	Capital Choice Ultra Plus	14.00	14.00	Yearly	£10,000	14.00p			
	Capital Choice Ultra Plus Plus	15.00	15.00	Yearly	£10,000	15.00p			
	Capital Choice Ultra Plus Plus Plus	16.00	16.00	Yearly	£10,000	16.00p			
	Capital Choice Ultra Plus Plus Plus Plus	17.00	17.00	Yearly	£10,000	17.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus	18.00	18.00	Yearly	£10,000	18.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus	19.00	19.00	Yearly	£10,000	19.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus Plus	20.00	20.00	Yearly	£10,000	20.00p			
Halifax	Capital Choice	11.00	11.00	Yearly	£10,000	11.00p			
	Capital Choice Plus	12.00	12.00	Yearly	£10,000	12.00p			
	Capital Choice Ultra	13.00	13.00	Yearly	£10,000	13.00p			
	Capital Choice Ultra Plus	14.00	14.00	Yearly	£10,000	14.00p			
	Capital Choice Ultra Plus Plus	15.00	15.00	Yearly	£10,000	15.00p			
	Capital Choice Ultra Plus Plus Plus	16.00	16.00	Yearly	£10,000	16.00p			
	Capital Choice Ultra Plus Plus Plus Plus	17.00	17.00	Yearly	£10,000	17.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus	18.00	18.00	Yearly	£10,000	18.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus	19.00	19.00	Yearly	£10,000	19.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus Plus	20.00	20.00	Yearly	£10,000	20.00p			
Homes and Communities	Capital Choice	11.00	11.00	Yearly	£10,000	11.00p			
	Capital Choice Plus	12.00	12.00	Yearly	£10,000	12.00p			
	Capital Choice Ultra	13.00	13.00	Yearly	£10,000	13.00p			
	Capital Choice Ultra Plus	14.00	14.00	Yearly	£10,000	14.00p			
	Capital Choice Ultra Plus Plus	15.00	15.00	Yearly	£10,000	15.00p			
	Capital Choice Ultra Plus Plus Plus	16.00	16.00	Yearly	£10,000	16.00p			
	Capital Choice Ultra Plus Plus Plus Plus	17.00	17.00	Yearly	£10,000	17.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus	18.00	18.00	Yearly	£10,000	18.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus	19.00	19.00	Yearly	£10,000	19.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus Plus	20.00	20.00	Yearly	£10,000	20.00p			
Lloyds Bank	Capital Choice	11.00	11.00	Yearly	£10,000	11.00p			
	Capital Choice Plus	12.00	12.00	Yearly	£10,000	12.00p			
	Capital Choice Ultra	13.00	13.00	Yearly	£10,000	13.00p			
	Capital Choice Ultra Plus	14.00	14.00	Yearly	£10,000	14.00p			
	Capital Choice Ultra Plus Plus	15.00	15.00	Yearly	£10,000	15.00p			
	Capital Choice Ultra Plus Plus Plus	16.00	16.00	Yearly	£10,000	16.00p			
	Capital Choice Ultra Plus Plus Plus Plus	17.00	17.00	Yearly	£10,000	17.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus	18.00	18.00	Yearly	£10,000	18.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus	19.00	19.00	Yearly	£10,000	19.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus Plus	20.00	20.00	Yearly	£10,000	20.00p			
Nationwide	Capital Choice	11.00	11.00	Yearly	£10,000	11.00p			
	Capital Choice Plus	12.00	12.00	Yearly	£10,000	12.00p			
	Capital Choice Ultra	13.00	13.00	Yearly	£10,000	13.00p			
	Capital Choice Ultra Plus	14.00	14.00	Yearly	£10,000	14.00p			
	Capital Choice Ultra Plus Plus	15.00	15.00	Yearly	£10,000	15.00p			
	Capital Choice Ultra Plus Plus Plus	16.00	16.00	Yearly	£10,000	16.00p			
	Capital Choice Ultra Plus Plus Plus Plus	17.00	17.00	Yearly	£10,000	17.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus	18.00	18.00	Yearly	£10,000	18.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus	19.00	19.00	Yearly	£10,000	19.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus Plus	20.00	20.00	Yearly	£10,000	20.00p			
Open Life	Capital Choice	11.00	11.00	Yearly	£10,000	11.00p			
	Capital Choice Plus	12.00	12.00	Yearly	£10,000	12.00p			
	Capital Choice Ultra	13.00	13.00	Yearly	£10,000	13.00p			
	Capital Choice Ultra Plus	14.00	14.00	Yearly	£10,000	14.00p			
	Capital Choice Ultra Plus Plus	15.00	15.00	Yearly	£10,000	15.00p			
	Capital Choice Ultra Plus Plus Plus	16.00	16.00	Yearly	£10,000	16.00p			
	Capital Choice Ultra Plus Plus Plus Plus	17.00	17.00	Yearly	£10,000	17.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus	18.00	18.00	Yearly	£10,000	18.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus	19.00	19.00	Yearly	£10,000	19.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus Plus	20.00	20.00	Yearly	£10,000	20.00p			
Santander	Capital Choice	11.00	11.00	Yearly	£10,000	11.00p			
	Capital Choice Plus	12.00	12.00	Yearly	£10,000	12.00p			
	Capital Choice Ultra	13.00	13.00	Yearly	£10,000	13.00p			
	Capital Choice Ultra Plus	14.00	14.00	Yearly	£10,000	14.00p			
	Capital Choice Ultra Plus Plus	15.00	15.00	Yearly	£10,000	15.00p			
	Capital Choice Ultra Plus Plus Plus	16.00	16.00	Yearly	£10,000	16.00p			
	Capital Choice Ultra Plus Plus Plus Plus	17.00	17.00	Yearly	£10,000	17.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus	18.00	18.00	Yearly	£10,000	18.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus	19.00	19.00	Yearly	£10,000	19.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus Plus	20.00	20.00	Yearly	£10,000	20.00p			
Santander UK	Capital Choice	11.00	11.00	Yearly	£10,000	11.00p			
	Capital Choice Plus	12.00	12.00	Yearly	£10,000	12.00p			
	Capital Choice Ultra	13.00	13.00	Yearly	£10,000	13.00p			
	Capital Choice Ultra Plus	14.00	14.00	Yearly	£10,000	14.00p			
	Capital Choice Ultra Plus Plus	15.00	15.00	Yearly	£10,000	15.00p			
	Capital Choice Ultra Plus Plus Plus	16.00	16.00	Yearly	£10,000	16.00p			
	Capital Choice Ultra Plus Plus Plus Plus	17.00	17.00	Yearly	£10,000	17.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus	18.00	18.00	Yearly	£10,000	18.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus	19.00	19.00	Yearly	£10,000	19.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus Plus	20.00	20.00	Yearly	£10,000	20.00p			
Santander UK	Capital Choice	11.00	11.00	Yearly	£10,000	11.00p			
	Capital Choice Plus	12.00	12.00	Yearly	£10,000	12.00p			
	Capital Choice Ultra	13.00	13.00	Yearly	£10,000	13.00p			
	Capital Choice Ultra Plus	14.00	14.00	Yearly	£10,000	14.00p			
	Capital Choice Ultra Plus Plus	15.00	15.00	Yearly	£10,000	15.00p			
	Capital Choice Ultra Plus Plus Plus	16.00	16.00	Yearly	£10,000	16.00p			
	Capital Choice Ultra Plus Plus Plus Plus	17.00	17.00	Yearly	£10,000	17.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus	18.00	18.00	Yearly	£10,000	18.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus	19.00	19.00	Yearly	£10,000	19.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus Plus	20.00	20.00	Yearly	£10,000	20.00p			
Santander UK	Capital Choice	11.00	11.00	Yearly	£10,000	11.00p			
	Capital Choice Plus	12.00	12.00	Yearly	£10,000	12.00p			
	Capital Choice Ultra	13.00	13.00	Yearly	£10,000	13.00p			
	Capital Choice Ultra Plus	14.00	14.00	Yearly	£10,000	14.00p			
	Capital Choice Ultra Plus Plus	15.00	15.00	Yearly	£10,000	15.00p			
	Capital Choice Ultra Plus Plus Plus	16.00	16.00	Yearly	£10,000	16.00p			
	Capital Choice Ultra Plus Plus Plus Plus	17.00	17.00	Yearly	£10,000	17.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus	18.00	18.00	Yearly	£10,000	18.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus	19.00	19.00	Yearly	£10,000	19.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus Plus	20.00	20.00	Yearly	£10,000	20.00p			
Santander UK	Capital Choice	11.00	11.00	Yearly	£10,000	11.00p			
	Capital Choice Plus	12.00	12.00	Yearly	£10,000	12.00p			
	Capital Choice Ultra	13.00	13.00	Yearly	£10,000	13.00p			
	Capital Choice Ultra Plus	14.00	14.00	Yearly	£10,000	14.00p			
	Capital Choice Ultra Plus Plus	15.00	15.00	Yearly	£10,000	15.00p			
	Capital Choice Ultra Plus Plus Plus	16.00	16.00	Yearly	£10,000	16.00p			
	Capital Choice Ultra Plus Plus Plus Plus	17.00	17.00	Yearly	£10,000	17.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus	18.00	18.00	Yearly	£10,000	18.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus	19.00	19.00	Yearly	£10,000	19.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus Plus	20.00	20.00	Yearly	£10,000	20.00p			
Santander UK	Capital Choice	11.00	11.00	Yearly	£10,000	11.00p			
	Capital Choice Plus	12.00	12.00	Yearly	£10,000	12.00p			
	Capital Choice Ultra	13.00	13.00	Yearly	£10,000	13.00p			
	Capital Choice Ultra Plus	14.00	14.00	Yearly	£10,000	14.00p			
	Capital Choice Ultra Plus Plus	15.00	15.00	Yearly	£10,000	15.00p			
	Capital Choice Ultra Plus Plus Plus	16.00	16.00	Yearly	£10,000	16.00p			
	Capital Choice Ultra Plus Plus Plus Plus	17.00	17.00	Yearly	£10,000	17.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus	18.00	18.00	Yearly	£10,000	18.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus	19.00	19.00	Yearly	£10,000	19.00p			
	Capital Choice Ultra Plus Plus Plus Plus Plus Plus Plus	20.00	20.00	Yearly	£10,000	20.00p			
Santander UK	Capital Choice	11.00	11.00	Yearly	£10,000	11.00p			
	Capital Choice Plus	12.00	12.00	Yearly	£10,000	12.00p			
	Capital Choice Ultra	13.00	13.00	Yearly	£10,000	13.			



## UK COMPANY NEWS

## Reebok sale proceeds will fund Pentland expansion

By Alice Rawsthorn in London and Karen Zagor in New York

PENTLAND, the consumer products group, plans to stage substantial acquisitions within the branded products field when it has completed the sale of its 31.5 per cent holding in Reebok, the US sports shoe company.

Reebok announced the proposed sale in New York after the stock market closed on Thursday evening and saw its shares rise by \$0.75 to \$18.75 yesterday in moderately active trading. This value Pentland's holding at \$262m (\$268m).

Pentland's shares soared by 19p to 95p in London yesterday. It has held shares in Reebok since 1981 when Mr Stephen Rubin, its chairman, paid \$77,500 for its original 35.6 per cent chunk of the equity.

Reebok expanded at a frenetic pace in the fitness boom of the mid-1980s and the stake became the biggest single source of Pentland's profits.

Mr Frank Farrant, finance director, said Pentland had decided to sell the holding to raise capital for future expansion.

There were tax disadvantages associated with the stake, he said, and no cashflow benefits associated with it. Once the holding is sold Pentland is likely to increase its dividend payments.

The timing of the sale was triggered by the fact that Pentland's contract to source Reebok products will finish at the end of this year. The contract for Pentland to distribute Reebok's products in the UK expired at the end of 1989. Reebok decided to handle its own distribution as it plans to use the UK as a distribution base for Europe.

Mr Farrant said Pentland saw no point in retaining a minority holding in a company with which it had no strategic or managerial involvement. It plans to use the proceeds for acquisitions in the area of branded consumer goods. However it does not have a substantial acquisition in its sights at the moment.

Pentland, which staged a financial restructuring last year, has been attempting to reduce its reliance on Reebok for several years. In 1988 it made an offer for Parker Pen, only to be forced to abandon

the deal a few months later. Last month Pentland, which has interests in footwear and clothing, participated in an \$85m leveraged buy-out for the Speedo sportswear business in the US. It is interested in acquiring the Speedo businesses in Europe and Australia.

On Wall Street the news of the proposed sale sparked speculation over the future of Reebok, which has been hampered by buy-out rumours in recent months. However, several analysts said current US market conditions were not sufficiently attractive to put the company into play. There are other factors which would deter all but the most determined bidder.

Mr Paul Fireman, Reebok's chairman, has first refusal for the Pentland stake. He and his wife already own 14 per cent of Reebok. In addition Reebok is headquartered in Massachusetts, which has some of the most prohibitive anti-takeover legislation in the US. Reebok has also devised a "poison pill" plan as an additional deterrent to potential bidders.

## Globe bidder given green light

By Nikki Tait

THE £1bn bid by the British Coal Pension Funds for Globe Investment Trust has been given a green light by the Office of Fair Trading and the Department of Trade and Industry.

The DTI said it would not be referring the offer to the Monopolies and Mergers Commission. Its decision was line with the advice received from Sir Gordon Borrie, director-general of the OFT.

Globe had lobbied hard to get the bid referred, with support from the Association of Investment Trust Companies.

In accordance with normal practice, the DTI did not give any formal explanation for its decision - although an official said that the reasoning was based on the fact that Globe and BCPF "operate to all intents and purposes in different markets, so there were no competition issues involved."

The decision was greeted with some satisfaction by BCPF. It was pleased both in the context of the offer, and

from the standpoint of pension funds generally. It also claimed that the bid was in the best interests of the investment trust sector, where discounts might have widened had the authorities decided to intervene.

BCPF's cash offer is currently pitched at 19p a share, and reaches its second close on Monday. However, the stock market has strengthened since the original terms were announced, and the bidder is expected to have to raise its terms if it wants control.

Globe has already published an updated asset value of £18.1p a share as at June 4, and has argued that its "total value" on that date - after making a series of adjustments, some of which have been controversial - was just below 23p a share.

Globe has estimated that its fund management operations are worth around 8.1p a share - a figure included in the total asset valuation, although not in the net asset valuation.

BCPF has until June 25 to

raise its offer. Globe shares rose 4p to 204p yesterday.

David Hardy - chances of referral were fairly slim

raise its offer. Globe shares rose 4p to 204p yesterday.

raise its offer. Globe shares rose 4p to 204p yesterday.

raise its offer. Globe shares rose 4p to 204p yesterday.

raise its offer. Globe shares rose 4p to 204p yesterday.

raise its offer. Globe shares rose 4p to 204p yesterday.

raise its offer. Globe shares rose 4p to 204p yesterday.

raise its offer. Globe shares rose 4p to 204p yesterday.

raise its offer. Globe shares rose 4p to 204p yesterday.

## Anything you say may be taken down...

Richard Waters on Section 432 investigations which probe serious company crimes

SECTION 432 investigations are used only in the most serious and complex cases of suspected wrongdoing. Inspectors are given far-reaching powers, and their findings are usually published.

They can call for documents, and can require people to appear before them to be examined under oath. This power to question witnesses extends beyond a company's "directors, officers and agents" to include anybody who has, or may have, information about a company.

However such draconian powers are not often used. Last year only five 432 investigations were started, compared to 111 less serious investigations undertaken by the DTI's own staff. Previous investigations have included Guinness, House of Fraser, Barlow Clowes and County NatWest.

The reasons for starting an 432 investigation are as wide-ranging as the powers available under it. This means that there are few clues to the reasons for a case - unless, say, a 442 investigation, which specifically covers the ownership of a company.

The investigation can be held where it is suspected that a company's business has been run with the intention of defrauding its creditors, or other fraudulent purposes. Other reasons for a 432 investigation are suspicions that

people running a company have been guilty of "fraud, misfeasance or other misconduct" towards the company or its shareholders, or that holders have not been given all the information they should have.

Armed with these significant powers and such a wide brief, the inspectors have great freedom over how they actually carry out their work - and can report virtually whenever they like, although the DTI tries to keep a firm hand on investigations to prevent them dragging on indefinitely.

The extent of the latitude allowed to inspectors was summed up by Lord Denning in an appeal court decision in 1972. The court had heard a complaint from Mr Robert Maxwell over the way a DTI investigation into his Pergamon Press was conducted. Lord Denning said: "They [the inspectors] should be masters of their own procedure. They should be subject to no rules save this: they must be fair."

The DTI publishes guidelines for inspectors, though, and encourages them to be restrained in their criticisms of directors whose conduct they investigate. It is acutely aware of the impact of a 432 report.

Last summer, for instance, three National Westminster bank directors were forced to resign after they had been criticised in a report into a bank



John Gunn, chief executive of British &amp; Commonwealth subsidiary, County NatWest.

without Mr Foulston there was nobody to develop contingency plans to counter the crippling side-effects of the crisis. It was in the habit of writing.

In a nutshell, Atlantic's Flexlease offered customers the ability to take advantage of advancing technology by upgrading their computers. The lessee had the option to upgrade to new hardware after two or three years ("the flex"), provided that the upgrade was arranged by Atlantic and that the new machine was of equivalent or greater capital value than its predecessor.

The lessee could also walk away from the lease altogether after perhaps five years ("the walk"), leaving

This was considered last month in a report by the Trade and Industry select committee into company investigations. Its conclusion: inspectors should continue to make judgments rather than just report facts. The DTI has yet to respond to this, but has already indicated it is considering whether inspectors' views

should be published.

The all-party committee of MPs also studied the length of DTI investigations. The drawn-out nature of some investigations has become notorious. One into Lloyd's underwriter Minet, for instance, has been underway for eight years, although the County report was polished off in just seven months.

Investigations are being speeded up, but not by much: those completed in 1984-89 took an average of two years and four months each. During 1979-83 they took three years and eight months.

The action taken once an investigation is over varies. There may be a reference to another agency, such as the Serious Fraud Office, or the DTI may seek to wind up a company, or prosecute or disqualify its directors. Some Companies Act offences carry substantial penalties: carrying on a company's business with the intent of defrauding creditors, for instance, could result in seven years in prison and a fine.

The DTI can recover the cost of its investigations from anyone who is later successfully prosecuted. Such investigations can be costly: the Guinness investigation, which has yet to be completed, has cost £1.66m, while House of Fraser (£1.5m) and County NatWest (£1.1m) are not far behind.

## The brainchild that once powered explosive growth

By David Owen

SEPTEMBER 29, 1987 was undoubtedly the most significant date in the annals of Atlantic Computers, the world's third-largest computer leasing group prior to its collapse in April.

That was the day when Mr John Foulston, founder and chairman, met his death in an accident at the Silverstone motor-racing circuit.

The loss to the 39-year-old company was incalculable. It was the strong-willed and charismatic Mr Foulston - that had powered Atlantic's once explosive growth.

Between 1983 and 1986, the group's pre-tax profits soared from £3.84m to £21.39m, before climbing more sedately to a restated £29.51m over the two years to 1987. As early as 1983, the Staines-

based company's customers included the UK Atomic Energy Authority, Lloyd's, BAT Industries, Hanson Trust, ICI and Penguin Books.

Without Mr Foulston's forceful hand on the steering-wheel, the company's days as an independent entity were numbered.

Within a year it had been snapped up by Mr John Gunn's then-acquisitive British & Commonwealth Holdings for £410m in a deal that the collapsed financial services group was to rue mightily later.

Last April, less than two years after the takeover was cemented, B&C called in the administrators at Atlantic and wrote off £550m against its ill-fated investment.

Perhaps more importantly,

without Mr Foulston there was nobody to develop contingency plans to counter the crippling side-effects of the crisis. It was in the habit of writing.

In a nutshell, Atlantic's Flexlease offered customers the ability to take advantage of advancing technology by upgrading their computers. The lessee had the option to upgrade to new hardware after two or three years ("the flex"), provided that the upgrade was arranged by Atlantic and that the new machine was of equivalent or greater capital value than its predecessor.

The lessee could also walk away from the lease altogether after perhaps five years ("the walk"), leaving

This was considered last month in a report by the Trade and Industry select committee into company investigations. Its conclusion: inspectors should continue to make judgments rather than just report facts. The DTI has yet to respond to this, but has already indicated it is considering whether inspectors' views

should be published.

The all-party committee of MPs also studied the length of DTI investigations. The drawn-out nature of some investigations has become notorious. One into Lloyd's underwriter Minet, for instance, has been underway for eight years, although the County report was polished off in just seven months.

Investigations are being speeded up, but not by much: those completed in 1984-89 took an average of two years and four months each. During 1979-83 they took three years and eight months.

The action taken once an investigation is over varies. There may be a reference to another agency, such as the Serious Fraud Office, or the DTI may seek to wind up a company, or prosecute or disqualify its directors. Some Companies Act offences carry substantial penalties: carrying on a company's business with the intent of defrauding creditors, for instance, could result in seven years in prison and a fine.

The DTI can recover the cost of its investigations from anyone who is later successfully prosecuted. Such investigations can be costly: the Guinness investigation, which has yet to be completed, has cost £1.66m, while House of Fraser (£1.5m) and County NatWest (£1.1m) are not far behind.

The DTI can recover the cost of its investigations from anyone who is later successfully prosecuted. Such investigations can be costly: the Guinness investigation, which has yet to be completed, has cost £1.66m, while House of Fraser (£1.5m) and County NatWest (£1.1m) are not far behind.

The DTI can recover the cost of its investigations from anyone who is later successfully prosecuted. Such investigations can be costly: the Guinness investigation, which has yet to be completed, has cost £1.66m, while House of Fraser (£1.5m) and County NatWest (£1.1m) are not far behind.

The DTI can recover the cost of its investigations from anyone who is later successfully prosecuted. Such investigations can be costly: the Guinness investigation, which has yet to be completed, has cost £1.66m, while House of Fraser (£1.5m) and County NatWest (£1.1m) are not far behind.

DIVIDENDS ANNOUNCED					
Company	Current payment	Date of payment	Corresponding dividend	Total for year	Total last year
Alparung	3.16	-	3.16	5.5	5.5
Bulgin (AF)	0.2	-	0.2	0.2	0.2
Edridge Peace	1.75	July 28	1.75	2.7	2.7
Harvester Drive	0.5	-	0.5	2	4.1
Manpower	int	-	0.6	-	-
Smith New Court	3	-	3	1.5	-

Dividends shown pence per share net except where otherwise stated. \*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. \$USM stock. \$Unquoted stock. ‡Third market.

LONDON RECENT ISSUES									
Issue	Amount	Latest Price	1990	Stock	Dividend	Yield	Net	Time	Yield
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100

FIXED INTEREST STOCKS									
Issue	Amount	Latest Price	1990	Stock	Dividend	Yield	Net	Time	Yield
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100

RIGHTS OFFERS									
Issue	Amount	Latest Price	1990	Stock	Dividend	Yield	Net	Time	Yield
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100

A detailed dividend list is provided on page 10 of the Financial Times. The list includes the company name, the amount of the dividend, the latest price, the year, the stock, the dividend, the yield, the net, the time, and the yield.

TRADITIONAL OPTIONS									
Issue	Amount	Latest Price	1990	Stock	Dividend	Yield	Net	Time	Yield
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100

## Armitage Bros shares fall 27p on warning

Shares of Armitage Brothers, a manufacturer of pet products, fell 27p to 100p yesterday on the company's warning that profits for the year to May 1990 would be below the level anticipated last February when the results for the first half were reported.

They said this was due to sluggish sales in the second six months, increased costs on some imported products and high interest charges.

Profits for the first half totalled £503,000 pre-tax. That compared with £459,000 for the same period of the 1989-90 year and with £552,000 for the full 12 months. It was pointed out that the new year had started more encouragingly with stronger sales potential and higher advance orders for Christmas products.

## Conrad acquires Charlton Ents

Conrad Continental, the leather clothing and fashion accessories company, is acquiring Charlton Enterprises, founded by Mr Bobby Charlton, for up to £3.5m.

The initial consideration is £1.6m, of which £1.3m will be in cash and £300,000 in shares.

To finance the cash element, Conrad has raised £1.8m through a 9-for-10 rights issue.

Charlton is principally involved in the organisation and operation of football coaching schools.

## Rank renews its attack on Mecca's management

By Andrew Bolger

RANK ORGANISATION yesterday renewed its attack on the management of Mecca Leisure Group, for which it launched a hostile takeover bid on June 1.

Rank's offer document said Mecca had mismanaged the effects of the acquisition of Pleasurama, mismanaged the management of the group's borrowings and diminished the value of its shareholders' investment. A failure to complete major disposals at satisfactory prices would put Mecca's future capital expenditure plans at risk.

Rank's shares closed down 5p at 854p. The one-for-nine offer values each Mecca ordinary at just under 85p. Mecca's shares closed unchanged at 89p.

Rank is also offering three non convertible preference shares for every four Mecca convertibles. Assuming Rank's convertible are worth 107.25p, the bid values Mecca at £540m. A 6 per cent increase in the value of Rank's shares after the bid was launched had lifted the value of the offer by £34m.

Mr Michael Gifford, chief executive of Rank, said: "We believe that extensive benefits will arise from the integration of Mecca's assets with all shareholders. The commercial rationale is strong and Rank's prudent balance sheet will enable the future of Mecca's business to be directed by com-

mercial considerations, rather than balance sheet pressures. Our offer provides good value, given the unsatisfactory financial position of Mecca and its uncertain prospects."

Mecca responded that Rank had failed to provide any convincing arguments why its offer were anything other than an attempt to take advantage of Mecca shareholders. It said Rank had inflated the concern relating to the temporary gearing position of Mecca and the outcome of the disposal programme to frighten shareholders.

The bid target, which still has debts of about £440m, has said it will raise some £250m by selling assets, including hotels, restaurants and casinos.

Mecca said that Rank was either ignorant of the real value and prospects of Mecca, or had identified this real value and wanted to buy it on the cheap.

## Correction Saatchi &amp; Saatchi

Saatchi & Saatchi, the communications group, made a pre-tax profit of £14.4m in the first half of its financial year, not a pre-tax loss as stated in yesterday's edition.

## Manpower slips 14% to £21m

By Andrew Bolger



## UK COMPANY NEWS

# Smith New Court moves £14.5m back into profit

By Richard Waters

SMITH NEW COURT, the securities company, shrugged off a substantial loss on a stake in Ferranti International, the defence contractor that has suffered an alleged massive fraud, to report a strong advance in profits last year.

Pre-tax profits for the year to April 27 reached £14.5m, compared with a loss of £12.6m the year before after a fierce price war in the UK equity market.

Having passed the interim dividend the directors are recommending a final of 3p - last year shareholders received an interim of 1.5p but no final.

The result marked a strong turn-around in the second half, from £2m in the first six months, partly due to a smaller loss on the Ferranti stake.

Smith's holding of 30m Ferranti shares, bought at 60p each, is thought to have cost it £7m-£8m in the first half as the share price fell to 56p. The second half loss is thought to have been half as much again, as the price declined further.

The company would not confirm these figures, saying only that the loss had been "substantial" in the first half and was "materially lower" in the second. It said it had disposed of the stake since the year end.

Smith is now suing Citicorp Securities Vickers, from whom it bought the shares.

Smith's return to profit last year was due both to an improved performance in its core market-making operation and an increase in fee and commission income from broking and corporate finance work.

Mr Michael Marks, chief

executive, said that half of the company's gross revenues had been earned on market making, with the rest from broking, and corporate finance work. Income from the latter had increased by 40 per cent over the previous year. Half of gross income came from UK operations, with the rest earned overseas.

The market-making improvement was due to the ending of the price war and an increase in volume on the stock market, said Mr Marks. It was also helped by large "bought deals" conducted during the year.

Smith's research operations, begun in 1986, now cover 90 per cent of the UK market, although it still has gaps to fill overseas, the company said. It hopes to open its first continental European office within the next 18 months.

Barclays de Zoota Wold said that the unusual structure of the rights issue was designed to allow flexibility for Tomkins to raise half the money if the deal fell through. CULS are a more flexible instrument for achieving this purpose than ordinary shares.

As well as estimating its profits for the year to April 28, Tomkins said it intended to recommend a final dividend of 6.42p (4.75p), making a total of 9.12p (6.40p).

The directors said that the current financial year was "meeting expectations".

## Tomkins agrees Philips deal

By Philip Coggan

TOMKINS, the UK industrial conglomerate, has now reached formal agreement on the £550m (£325m) acquisition of Philips Industries, a US industrial group, a deal which was originally announced 10 days ago.

The news was accompanied by an estimate that Tomkins' pre-tax profits for the year to April 28 were not less than £76m, an increase of 17 per cent over the previous year.

Agreement on the Philips deal means that Tomkins has set the terms for the £325m rights issue being used to fund the purchase.

Shareholders are being offered non-interest bearing convertible unsecured loan stock on a partly paid basis. The first instalment will raise approximately £154m, after expenses; the second will only be payable if the acquisition of Philips goes unconditional.

The issue price of each CULS unit will be 242p, payable in two instalments of 121p. The CULS will automatically convert into ordinary shares 28 days after the second instalment is paid. The effect, after conversion, will be a three-for-four rights issue.

When Sir Norman's dilemma is that he is playing to a number of audiences. A major reappraisal of the value of BAA's terminals, runways and aprons would obviously prove attractive to shareholders and the City.

In justifying a large sum, Sir Norman could point to the substantial revenue already generated through shops and duty-free outlets at the airports. Some analysts believe the sites at Heathrow have the highest turnover in the world and that it would be reasonable to value the properties at high yields similar to shopping centres.

The temptation to adopt a high valuation would also help Sir Norman in his battle with Mr Michael Ashcroft, chairman of ADT, the industrial services group, which has built a 9 per cent stake in BAA. A high valuation and high share price would make it more expensive for Mr Ashcroft to acquire any further shares and might tempt him to dispose of his stake with substantial profit.

Another factor that paradoxically might tempt Sir Norman to choose a high valuation would be that it would reduce

## The strings tied to aprons and runways

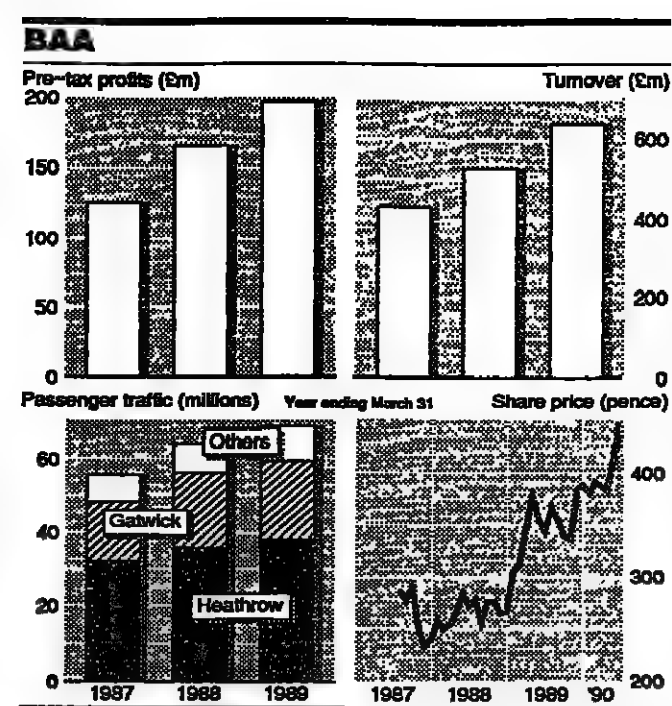
Paul Abrahams analyses BAA's dilemma over how to revalue its property portfolio

A STANDARD corporate habit for most companies is to maximise their asset value. That appears particularly valid at a moment in the UK as the City attempts to digest an unpalatable series of poor profit figures.

But Sir Norman Payne, chairman of BAA, the former British Airports Authority, is set a tricky management dilemma on Monday, when he announces a revaluation of much of his company's property portfolio at the same time as its full-year profits.

Analysts believe that BAA's operating profits are likely to be robust - between £250m and £255m, against £196m last time. Any downturn in the charter market has been more than offset by growth in scheduled services. The company's other main revenue stream, from shops and duty-free outlets, is also likely to report good profits.

However, the eyes of the City will mostly be focused on the property valuation. Runways and aprons will be valued at replacement rather than historic cost with depreciation, and a re-rating of value of the terminals is likely.



BAA's return on assets. Sir Norman is preparing for the first of the quinquennial Monopolies and Mergers Commission reviews set up by the Government before BAA's privatisation. The review, which examines all the operational

aspects of BAA's three south-east airports, will look closely at return on assets to make sure the company is not exploiting its potential monopoly in the region. A high valuation would clearly be beneficial to BAA's case.

But if it were that simple, Sir Norman would be the same as most other chairmen of public companies. However, running a recently privatised company, he is in a delicate position. If he wants to choose a high valuation for commercial reasons, he runs the risk of causing a political furor.

The reason for this is that although a substantial revaluation might please the City and shareholders, it would certainly not please the Government. Ministers would not welcome another series of accusations from opposition parties that a nationalised industry had been sold on the cheap when it was privatised.

When Sir Norman announces the results of his decision, City analysts will have to decide whether BAA is a property company, a transport services organisation or a hybrid of the two.

## Unicorn Heritage liquidation

By Alan Cane

UNICORN HERITAGE, the company behind the "Royal Britain" exhibition in London's Barbican Centre is going into voluntary liquidation owing some £3.4m.

There will be a creditors' meeting on June 22nd after which the company will be put in the hands of insolvency specialists Cork Gully.

Mr Stephen Hook, the liquidator, said he was hoping to

find a buyer that would keep the exhibition as a going concern. "I hope we will be able to do something," he said yesterday "but it is not the best of times and it is an expensive site with high rent and rates".

About 25 jobs would be at stake.

Some £7m had been raised to fund the exhibition which features a variety of sophisticated audiovisual techniques to

evoke a sense of the history of British Royalty. It is the inspiration of Mr Gyles Brandreth, the media personality.

Mr Kim Kehle-White, the present chief executive, said the exhibition had been dogged by bad luck. There had been delays in opening and the initial marketing had been poor. The show had been revamped and improved but by then the money had run out.

## Airsprung declines to £2.35m

A SUBSTANTIAL increase in operating expenses from £6.72m to £9.17m forced down taxable profits at Airsprung Group in the year to March 31.

The pre-tax result at this USM-quoted furniture maker and travel agent fell to £2.35m (£2.04m), though turnover rose 28 per cent to £43.94m (£34.36m). Gross profit advanced to £11.91m (£9.66m) but operating profits were down at £2.74m (£2.94m). Earnings worked through down at 13.1p (13.3p). The proposed final dividend is a maintained 3.18p for an unchanged 5.5p total.

The company said that turnover in the first two months of the current year was considerably better than last time, but that the gen-

eral economic situation could have a detrimental effect on its immediate prospects. A weakening pound would continue upward pressure on the cost of the raw materials Airsprung imports.

When the company disposes of its old factory in Rotherham and receives loan and grants due from the European coal and steel community and the Department of Trade, its liquidity, affected by high interest rates, should improve.

The company has proposed to change its name to Airsprung to Airsprung Furniture Group.

Strata Invs net asset value down

Net asset value per share at Strata Investments fell to a lower 163.5p at April 30 compared with 167.5p a year earlier. Assuming full conversion of warrants the figures were 166.5p against 161.4p. For the six months to end April net revenue increased

from £20,430 to £28,494 after tax of £27,514 (£16,971). Earnings per share improved to 0.38p (0.2p). Net assets per warrant were 56.5p (£1.4p).

**Windsor declines to £120,000**

Taxable profits at Windsor, the insurance and reinsurance broker, declined from £175,000 to £120,000 in the six months to March 31. Last year's figures have been adjusted.

Turnover rose to £3.84m (£3.43m), earnings fell to 0.135p (0.258p) and there is no interim dividend.

In addition the company has agreed to acquire 51 per cent of Bishopscourt Financial Holdings for an initial £250,000 cash.

Depending on future performance, further consideration may become payable, up to a maximum of 1.5m new Windsor ordinary and £600,000 in unsecured loan notes.

**Mosaic buys dies companies**

Mosaic Investments has conditionally agreed to acquire Ashwell Label Dies and Ashwell Label Dies (US) for an aggregate initial consideration of £4.15m.

Both companies are engaged in the manufacture of high quality flatbed label dies for use on all makes of printing presses that have a flatbed die cutting unit.

Assuming certain profits levels are met deferred consideration of up to a maximum £7m will also be payable.

**Spirax-Sarco £15m purchase**

Spirax-Sarco Engineering has acquired the business and assets of Watson-Marlow from Smith & Nephew for £15.39m in cash.

Watson-Marlow, based in Cornwall, designs manufactures and sells peristaltic

pumps which provide accurate control and metering of fluids. It operates internationally and more than half of its turnover is overseas.

For the year to end-December 1989 the company's divisional trading results had an operating profit of £1.5m. Spirax said yesterday that it believed Watson-Marlow's operating profits for the current year would exceed 1989's by a significant margin. The value of the assets being acquired amount to some £8.7m.

Consideration is being financed from Spirax-Sarco's existing resources and new bank borrowings.

The directors said they did not anticipate any significant earnings dilution would arise from the acquisition. They believed positive benefits would emerge for shareholders.

Mr Chris Tappin, chairman and chief executive of Spirax-Sarco, said the acquisition was in line with the company's corporate philosophy.

# "A record year for GLOBE"

David Hardy, Chairman

Globe has announced record results, both in income and capital, and a good dividend increase.

For the year to 31st March 1990 the attributable profit was £34.67 million, up from £27.08 million last year. Earnings per share, on a fully diluted basis, are 6.47p, an increase of 26.86 per cent over last year's. A record year for Globe.

We have prospects of another good year... the right asset allocation and international relationships that are widely envied.

## GLOBE INVESTMENT TRUST P.L.C.

BRITAIN'S BIGGEST INVESTMENT TRUST

The final dividend, if approved, will be paid on 16th August, 1990 to shareholders on the register at 19th July, 1990. The full Report and Accounts was posted to shareholders on 25th May 1990 and the Annual General Meeting will be held on 24th July 1990 at 12.00 noon.

The value of shares can fall as well as rise and past performance is not necessarily a guide to the future.



To reserve a copy of Globe Investment Trust's 1990 Annual Report & Accounts, please fill in this coupon and send it to Globe Investment Trust P.L.C., FREEPOST, Globe House, 3rd Floor, 4 Temple Place, London WC2R 3HP.

NAME

ADDRESS

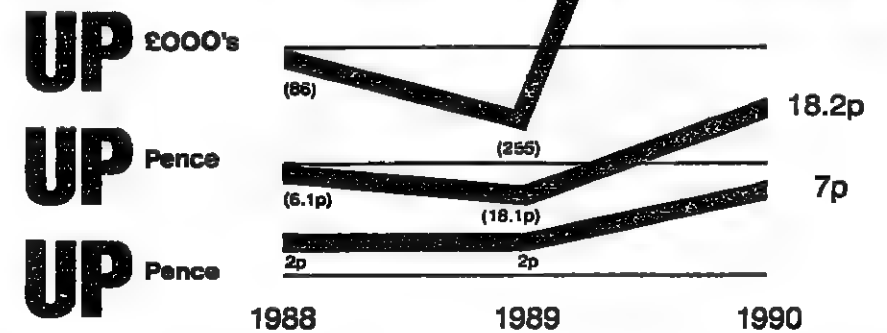
FY

POSTCODE

## Albrightton (FORMERLY G.F. LOVELL PLC)

### BUILDING SUCCESS

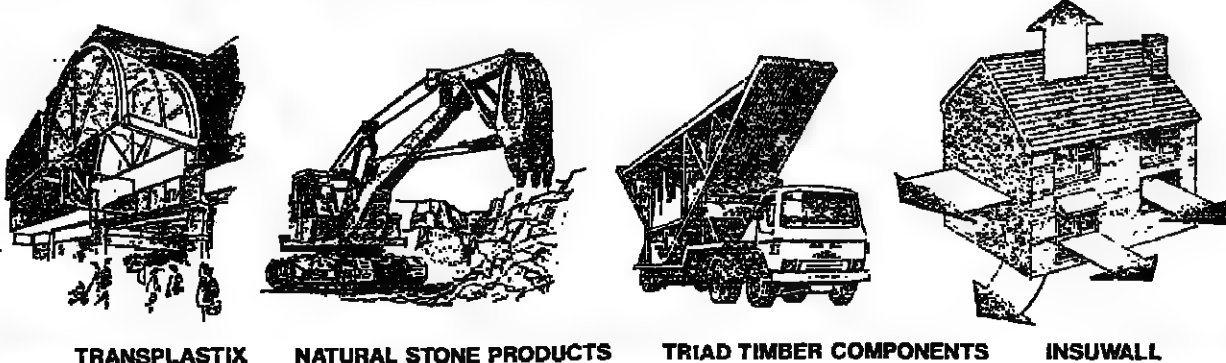
- \* PRE-TAX PROFIT
- \* EARNINGS PER SHARE
- \* DIVIDEND



"These results show tangible evidence of the successful implementation of the Board's strategy to focus on quality high-margin building product businesses." Peter B. Woodman Chairman

FINANCIAL HIGHLIGHTS (£000's)		1988	1989	1990
BUILDING PRODUCTS	TURNOVER	-	-	14387
	OPERATING PROFIT	-	-	1947
CONFECTIONERY	TURNOVER	3852	4110	4147
	OPERATING LOSS	(52)	(182)	(252)

The contents of this statement have been approved for the purposes of Sections 57 of the Financial Services Act by PKMG Peal Marwick McLinnock which is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.



TRANSPLASTIX NATURAL STONE PRODUCTS TRIAD TIMBER COMPONENTS INSUWALL

COPIES OF THE 1990 REPORT & ACCOUNTS ARE AVAILABLE FROM THE COMPANY SECRETARY, ALBRIGHTON P.L.C., BOX 50, WEST HOLLANDS, CHESHIRE, SK10 4JF.



## INTERNATIONAL COMPANIES AND FINANCE

## Saab-Scania profits lifted by strong aircraft sales

By Robert Taylor in Stockholm

SAAB-SCANIA, the Swedish automotive and aerospace group, has increased profits after financial items for the first four months of this year by 27 per cent to SKr17m (\$134m). Turnover rose by 11 per cent to SKr1.1bn against the comparable four months of 1989.

The car division of the group is now jointly owned with General Motors, although Saab-Scania has taken over half the burden of the first four-month losses of SKr995m in Saab Automobile. The wholly Swedish owned Saab-Scania covers truck and aircraft manufacture as well as defence equipment.

These surprisingly strong results reflect a massive improvement in aircraft sales which rose by 73 per cent in the four months to SKr1.65bn.

Sales of the Saab340 and Saab2000 commercial aircraft have continued to grow with orders signed with Japan Air System and Hazelton Airlines of Australia.

So far 310 Saab340s have been sold. There are firm orders for 41 of the Saab2000 with a further 101 options. In April the order backlog for the aircraft division amounted to SKr1.45bn of which commercial aircraft accounted for SKr920m.

The performance by the Scania truck and bus division was less impressive with 4 per cent growth in sales in the period to SKr7.98bn. Mr Georg Karsund, president and chief executive officer, said yesterday that the decline in demand in the western European truck market is continuing and

would result in a 10 per cent fall in overall sales in 1990.

He predicted a slight recovery in the truck market in Britain, Norway and Austria. He also reported that the group had revived in the volatile Brazilian market, where there was a 10 per cent growth in the heavy trucks market.

Mr Karsund said that Scania's capital programme was running according to plan, while work was progressing on the build-up of a marketing and service organisation in eastern Europe.

The group reported a 3 per cent decline in sales in its Combitech defence equipment division to SKr565m for the four months. Order books fell to SKr528m compared with SKr581m at the end of March 1989.

## Shake-up at board level announced by CMB

By Maggie Urry

CMB PACKAGING, the leading European packaging group, has announced board changes after speculation about a behind-the-scenes power play at board level. The group was formed by the merger last year of Carand, a French packaging group, and Metalbox Packaging of the UK.

CMB said "after the first year of building its merger base, CMB is now entering a new phase of development which requires changes in the management structure and in the general management team."

Mr Alex Watson, number two in the management structure under Mr Jean-Marie Descaupentes, the chairman and chief executive, is taking early retirement to make way for Mr Nigel Gilson, who comes in as a director general.

Mr Gilson had worked at Metalbox for 20 years and became head of Metalbox's UK operations. He left Metalbox three years ago to become group managing director of B. Elliott, the engineering company.

At the same time an executive committee of four directors is being formed. This includes Mr Descaupentes, Mr Gilson, Mr Arnaud Fayet, who ran the Health and Beauty division and becomes a director general, and Mr Robert van den Heuvel, the finance director.

Followers of the company suggested that Mr Watson had opposed Mr Descaupentes' style of management which included having a 30-strong board. It is thought that the new executive committee is intended to put tighter control on Mr Descaupentes' decentralised style of management, which some dubbed as a "divide and rule" policy.

Mr Gilson was involved in the early merger talks between Carand and Metalbox, and knows Mr Descaupentes from then. They are understood to have a good relationship.

Bringing in Mr Gilson was seen yesterday as an attempt to maintain the Anglo-French balance at the top of the group.

It is thought that CMB's two main shareholders, MIB group in the UK and CGIP of France, which together have over 51 per cent of the equity, have been concerned that without management changes the company would be damaged.

They suggest that Mr Descaupentes has been supported in the latest row by the majority shareholders, but warned that he must produce results in the short term to keep his top position.

## MGM/UA deal runs into snags

By George Graham in Paris, John Wyles in Rome and Alan Friedman in New York

MR GIANCARLO Parretti, the Italian financier seeking to acquire MGM/UA, the US entertainment group, for \$1.5bn, yesterday ran into several snags in France and Italy.

In France, Mr Pierre Bérégovoy, the Finance Minister, blocked the takeover of Pathé Cinéma, the leading French cinema group, by Mr Parretti.

In Italy, an Italian financial company flatly contradicted a statement made on Tuesday to the US Securities and Exchange Commission (SEC) by Mr Parretti's Pathé Communications, which said to have sold the stake for \$52m to Centronord Commissionaria, a financial company.

However, yesterday Mr Giuseppe Gennari, president of Centronord, denied to the Italian press Mr Parretti's statement to the SEC that he had bought the bank stake, Mr Gennari said no transaction had taken place.

Mr Parretti sought to clarify the confusion over the missing \$52m of funds for the acquisition.

He also declared the French Government move would have "absolutely no effect" on the transaction.

In the filing to the SEC, Pathé cited as a source of funds the sale of a 28.87 per cent stake in Banca Agricola Milanese, a Milan bank.

Sasea, a Geneva company controlled by Mr Parretti's partner Mr Florio Fiorini, is said to have sold the stake for \$52m to Centronord Commissionaria, a financial company.

However, yesterday Mr Giuseppe Gennari, president of Centronord, denied to the Italian press Mr Parretti's statement to the SEC that he had bought the bank stake, Mr Gennari said no transaction had taken place.

Mr Parretti's lawyer, Mr Ed Hamberger, a securities lawyer and aide to Mr Par-

retti, meanwhile sought to clarify the confusion over the missing \$52m of funds for the acquisition.

He also declared the French Government move would have "absolutely no effect" on the transaction.

In the filing to the SEC, Pathé cited as a source of funds the sale of a 28.87 per cent stake in Banca Agricola Milanese, a Milan bank.

Sasea, a Geneva company controlled by Mr Parretti's partner Mr Florio Fiorini, is said to have sold the stake for \$52m to Centronord Commissionaria, a financial company.

However, yesterday Mr Giuseppe Gennari, president of Centronord, denied to the Italian press Mr Parretti's statement to the SEC that he had bought the bank stake, Mr Gennari said no transaction had taken place.

Mr Parretti, questioning whether his group, largely funded from Switzerland, qualified as a European Community investor, but was forced to back down by the European Commission.

The minister recalled that after last year to gain control of Pathé, "doubts were expressed last year over the real origins of the funds financing this acquisition," but that the investigation had not enabled him to confirm these doubts.

He had asked the ministers of justice, defence and the interior to give him any information they might have, and had asked the Commission des Opérations de Bourse, the French stock exchange regulator, to contact the Securities and Exchange Commission, its US counterpart.

## Compass flotation fully taken up

By Kevin Brown in Sydney

AUSTRALIA'S planned deregulation of domestic aviation passed its first hurdle yesterday when Compass Airlines, the only new airline currently seeking to enter the market, completed a successful \$450m (US\$285m) flotation.

Mr Bryan Grey, the veteran airline executive who formed Compass to take advantage of the deregulation legislation, said the issue, launched on Tuesday, had been completely taken up.

Compass plans to begin flying from mid-November, shortly after deregulation takes effect at the end of October. Mr Grey says the airline will offer reductions of between 20 per cent and 60 per cent on existing fares.

The company says it will be profitable from day one, and forecasts pre-tax profits of more than \$20m next year.

rising to \$510m in 1992, and \$514m in 1993. The prospectus promised investors a 10 per cent dividend in the first year, rising to 43 cents in 1992 and 57 cents in 1993.

Some analysts have questioned Compass's ability to achieve these targets, because of the company's exposure to movements in fuel costs and exchange rates.

However, the two existing domestic airlines - state-owned Australian Airlines and private Qantas - have already begun discounting fares in an attempt to shore up their market share before October.

Deregulation breaks the existing airline duopoly by allowing new airlines to operate on any domestic route after acquiring an Air Operator's Certificate from the Civil Aviation Authority, which regulates air safety.

The Labor Government had hoped that several new airlines would take to the skies after October, but Compass is the only potential competitor to have reached the stage of raising finance and seeking an operating licence.

Mr Grey said the Compass issue, underwritten by Potter Partners of Melbourne, had been "a great success." Surplus applied to the balance sheet on an additional pool of 30m shares, bringing the total funds raised to \$450m.

Mr Grey will control 9.1 per cent of Compass. Around 40 per cent of the shares have been allocated to Australian institutions, with the balance acquired by private investors.

Dealing is expected to start on the Australian Stock Exchange at the end of the month.

competition in the Canadian market.

Labatt's national market share was 42 per cent, slightly below the merged Molson-Carling's 43 per cent.

Full year earnings were C\$18m or C\$1.50 a share, up from C\$13.1m or C\$1.10 a share in 1989, on revenues of C\$5.3bn against C\$4.4bn.

Labatt is making progress with beer sales in the US and Europe. The food operations are being held back by continuing difficulties in the US dairy products group. The company's subsidiary improved significantly.

Bringing in Mr Gilson was seen yesterday as an attempt to maintain the Anglo-French balance at the top of the group.

It is thought that CMB's two main shareholders, MIB group in the UK and CGIP of France, which together have over 51 per cent of the equity, have been concerned that without management changes the company would be damaged.

They suggest that Mr Descaupentes has been supported in the latest row by the majority shareholders, but warned that he must produce results in the short term to keep his top position.

## Scott Paper in W German link

By Maggie Urry

SCOTT Paper, the world's largest producer of sanitary tissue, has agreed to set up a joint venture with Feldmühle, the leading West German paper group, currently being taken over by Stora of Sweden.

The joint venture will operate Feldmühle's tissue business in Germany, Austria and one in the Netherlands. It also sells tissue paper in France and Belgium.

Scott is the leading European tissue maker, with brand names such as Scottex and

Andrex, but it lacked operations in Germany and the Netherlands. It operates in the UK, France, Belgium, Italy, Spain and Portugal, and has been looking to expand into Germany for some time.

Scott will take a 51 per cent stake in the joint company, paying \$125m, and will take responsibility for running the business. After three years Scott can buy the remaining 49 per cent at an equivalent price, and Feldmühle can also force Scott to buy it out.

The move follows a tie-up in the European tissue market last year between James River of the US, Nokia of Finland, and Montedison of Italy.

Scott's European sales are \$1.2bn and Feldmühle's tissue operations have sales of \$300m. Scott said the deal was subject to approval by the German Federal Cartel Office. The company said it has no plans for closures or job losses as a result of the deal, but sales forces in France and Belgium would be integrated.

## Norwegian drug groups to merge

HAFSLUND Nycomed, the Norwegian pharmaceutical group, is to absorb local drugs and cosmetics maker Collett-Marshall through a merger, AP-JD reports.

The companies will call shareholders together "as soon as possible" to seek approval of Collett becoming part of Hafslund, and the merger of the two companies said.

Hafslund will expand its share capital to cover a Nkr37.2m (\$5.74m) cash pay-

ment included in the deal. The terms of the link also give Collett shareholders 89.552 Hafslund shares with a stock market value of around Nkr177m.

"The merger will result in a new activity of substantial size and impact in the areas of non-prescription drugs and over-the-counter products," the companies said.

Collett, with an expected 1990 turnover of Nkr160m, also sells cosmetics and toiletries in Norway, Sweden and Den-

mark. Nycomed Pharma's expected turnover of Nkr450m for this year.

Storebrand, Norway's biggest insurance group, has purchased a 23 per cent shareholding, worth some Nkr320m, in Nora Elendom, a local property group, Reuters reports. The deal increases Storebrand's shareholding in Nora Elendom, which is mainly owned by Norwegian food and soft drinks company Nora Industrier, to just over 30 per cent.

## Hungarian issue warmly welcomed

By Nicholas Denton in Budapest

THE issue of shares in Ibusz, the travel agency which is the first Hungarian company to be privatised following political reform, has been massively over-subscribed.

As the application period closed yesterday, Mr Kálmán Mészáros, a director of Gyros, the Budapest stock exchange, estimated that it had been over-subscribed by 25 to 30 times as a whole and by about 50 times for the tranche reserved for western institutions.

The intensity of interest in the west is likely to mean that 300,000 of the 440,000 shares on sale will go to non-Hungarians when the final allocation is made early next week. Originally, only 240,000 shares were reserved for western investors. The deal increases Gyros's shareholding in Ibusz, which is mainly owned by Norwegian food and soft drinks company Nora Industrier, to just over 30 per cent.

The high level of demand for Ibusz shares suggests a sharp mark-up when the shares start trading on the Budapest and Vienna stock markets on June 21. Mr Mészáros said Ibusz shares may trade at between 30 per cent and 100 per cent above the issue price. The offering price of 4,500 forints value, the western tranche at 2.2bn forints (\$33m) and the whole company, about two-thirds of which remain under state control, at 5.9bn forints (\$90m).

## S African glass company slips

By Philip Gawth in Johannesburg

SETBACKS in its wood business saw attributable earnings of South Africa's Plate Glass and Shatterproof Industries drop 27 per cent in the year ended March 1990. Turnover increased 14 per cent to R45bn (\$1.8bn).

The wood division's problems were the result of management changes, demand weakness and supply shortages. Steps have been taken to stem losses in Australia, South America and Europe, with the closure of a number of operations. The company is confident of an improved performance by the division year.

## Labatt rises 25% after selling two subsidiaries

By Robert Gibbons in Montreal

JOHN LABATT, the brewing magnate, has sold the Toronto-based Peter and Edward Brumman interests, posted a 25 per cent gain in profit for fiscal 1990, although revenues dropped 3 per cent, reflecting the sale of two subsidiaries. Brewing results improved and interest costs were lower.

Earnings for the fourth quarter ended April 30 were C\$18m (US\$32m) or 32 cents a share, up 33 per cent from C\$13.7m or 28 cents a share earlier, on revenues of C\$5.3bn, up 1 per cent. Brewing's contribution rose 10 per cent despite strong US

competition in the Canadian market. Labatt's national market share was 42 per cent, slightly below the merged Molson-Carling's 43 per cent.

Full year earnings were C\$18m or C\$1.50 a share, up from C\$13.1m or C\$1.10 a share in 1989, on revenues of C\$5.3bn against C\$4.4bn.

Labatt is making progress with beer sales in the US and Europe. The food operations are being held back by continuing difficulties in the US dairy products group. The company's subsidiary improved significantly.

Bringing in Mr Gilson was seen yesterday as an attempt to maintain the Anglo-French balance at the top of the group.

It is thought that CMB's two main shareholders, MIB group in the UK and CGIP of France, which together have over 51 per cent of the equity, have been concerned that without management changes the company would be damaged.

They suggest that Mr Descaupentes has been supported in the latest row by the majority shareholders, but warned that he must produce results in the short term to keep his top position.

## Taiwanese airline sets up joint venture

By Peter Wickenden in Taipei

CHINA Airlines, Taiwan's national carrier, is to form a new international airline with TSBH (\$72m) joint venture with China Investment Trust, a subsidiary of the China Trust Group.

Provisionally named Hwa Hsin Airlines, the airline will be privately owned and thus able to fly to destinations barred to the Government-backed and awkwardly named China Airlines.

These include Australia, which has negotiated for years to establish a direct flight to Sydney. Many countries, including Europe, and mainland China which is expected to be opened up to Taiwanese airlines in the near future.

A preparatory committee was formed yesterday by senior management from both companies, and flights to Australia are expected to start in November.

China Airlines already formed a separate subsidiary in order to fly to Taipei. Many countries, including Europe, and mainland China which is expected to be opened up to Taiwanese airlines in the near future.

A preparatory committee was formed yesterday by senior management from both companies, and flights to Australia are expected to start in November.

## WORLD COMMODITIES PRICES

WEEKLY PRICE CHANGES	Latest prices	Change on week	Year ago	High 1989	Low 1989
Gold per troy oz.	\$347.50	+7.0	\$369.50	\$420.25	\$345.75
Silver per troy oz.	\$23.55	+13.70	\$45.15	\$23.50	\$23.50
Aluminium 99.7% (cash)	\$1,852.5	-32	\$1,852.5	\$1,747.5	\$1,747.5
Copper Grade A (cash)	\$1,519	-10.75	\$1,519	\$1,519	\$1,519
Lead (cash)	\$1,433.25	+10.75	\$1,433.25	\$1,433.25	\$1,433.25
Nickel (cash)	\$8,622.5	-2.5	\$8,622.5	\$8,622.5	\$8,622.5
Zinc SHG (cash)	\$1,680.0	-15	\$1,680.0	\$1,680.0	\$1,680.0
Tin (cash)	\$8,160	-90	\$8,160	\$8,160	\$8,160
Cocoa Futures (Sep)	\$2,025	-27	\$2,025	\$2,025	\$2,025
Coffee Futures (Sep)	\$18	-0.15	\$18	\$18	\$18
Sugar (LDP Raw)	\$130.50	-0.25	\$130.50	\$130.50	\$130.50
Barley Futures (Nov)	\$106.80	-0.25	\$106.80	\$106.80	\$106.80
Wheat Futures (Sep)	\$113.50	-0.10	\$113.50	\$113.50	\$113.50
Cotton Outlook A Index	\$9.75	+0.01	\$9.75	\$9.75	\$9.75
Wood (Oak Super)	\$450	-15	\$450	\$450	\$450
Oil (Brent Blend)	\$16.3225	+0.75	\$16.3225	\$16.3225	\$16.3225

## London Markets

SPOT MARKETS	Latest prices	Change on week	Year ago	High 1989	Low 1989
Crude oil (per barrel FOB)	\$14.00-14.10	+0.15	\$14.00-14.10	\$14.00-14.10	\$14.00-14.10
Brent Blend	\$14.30-14.40	+0.15	\$14.30-14.40	\$14.30-14.40	\$14.30-14.40
W.T.I. (1 pm est)	\$17.80-17.90	+0.15	\$17.80-17.90	\$17.80-17.90	\$17.80-17.90
Oil products					
(NEM prompt delivery per tonne CIF)					
Premium Gasoline	\$251-252	+1	\$251-252	\$251-252	\$251-252
Gas Oil	\$241-242	+1	\$241-242	\$241-242	\$241-242
Heavy Fuel Oil	\$241-242	+1	\$241-242	\$241-242	\$241-242
Naphtha	\$139-142	-0.5	\$139-142	\$139-142	\$139-142
Petroleum Argus Estimates					
Other					
Gold (per troy oz)	\$347.50	+0.75	\$347.50	\$347.50	\$347.50
Silver (per troy oz)	\$23.55	+13.70	\$45.15	\$23.50	\$23.50
Platinum (per troy oz)	\$474.85	+0.46	\$474.85	\$474.85	\$474.85
Palladium (per troy oz)	\$1,115.00	+1.25	\$1,115.00	\$1,115.00	\$1,115.00
Aluminium (free market)	\$1,852.5	-32	\$1,852.5	\$1,852.5	\$1,852.5
Copper (US Producer)	\$1,519	-10.75	\$1,519	\$1,519	\$1,519
Lead (free market)	\$1,433.25	+10.75	\$1,433.25	\$1,433.25	\$1,433.25
Tin (Kuala Lumpur market)	\$8,160	-90	\$8,160	\$8,160	\$8,160
Zinc (New York)	\$1,680.0	-15	\$1,680.0	\$1,680.0	\$1,680.0
Zinc (US Prime Western)	\$1,680.0	-15	\$1,680.0	\$1,680.0	\$1,680.0
Cattle (live weight)	\$110.75	-0.5	\$110.75	\$110.75	\$110.75
Sheep (live weight)	\$167.75	-0.5	\$167.75	\$167.75	\$167.75
Pigs (live weight)	\$106.95	-0.5	\$106.95	\$106.95	\$106.95
London daily sugar (raw)	\$305.5v	-15.0	\$305.5v	\$305.5v	\$305.5v
London daily sugar (white)	\$338.0v	-15.0	\$338.0v	\$338.0v	\$338.0v
Tate and Lyle export price	\$291.0	-4.5	\$291.0	\$291.0	\$291.0
Barley (English feed)	\$114.5v	-0.5	\$114.5v	\$114.5v	\$114.5v
Maize (US No 3 yellow)	\$145.0	-0.5	\$145.0	\$145.0	\$145.0
Wheat (US Dark Northern)	\$153.0	-0.5	\$153.0	\$153.0	\$153.0
Rubber (RSS No 1)	\$4.75v	-0.05	\$4.75v	\$4.75v	\$4.75v
Rubber (RSS No 1 Jun)	\$4.75v	-0.05	\$4.75v	\$4.75v	\$4.75v
Coconut oil (Philippines)	\$340.0v	+2.5	\$340.0v	\$340.0v	\$340.0v
Palm oil (Malaysia)	\$267.5v	-0.5	\$267.5v	\$267.5v	\$267.5v
Cocoa (Philippines)	\$2,025	-27	\$2,025	\$2,025	\$2,025
Soyabean Oil	\$157	-0.5	\$157	\$157	\$157
Cotton "A" Index	\$9.75	+0.01	\$9.75	\$9.75	\$9.75
Wooltops (S&S Super)	\$450	-15	\$450	\$450	\$450

£ 1 tonne unless otherwise stated. p=premium, c=cent, r=ringling, q=quintal, M=May, J=June, Dec=December, v=August, y=September, M=March, F=February, A=April, M=May, J=June, J=July, A=August, S=September, O=October, N=November, D=December.

COCOA - London F&O	Close	Previous	High/Low	Change
Jul 785	715	715	715	0
Aug 807	715	715	715	0
Oct 827	715	715	715	0
Nov 847	715	715	715	0
Dec 867	715	715	715	0
Jan 887	715	715	715	0</



## CURRENCIES, MONEY AND CAPITAL MARKETS

## FOREIGN EXCHANGES

## US dollar and sterling firm

THE US DOLLAR was firm yesterday following the release of industrial production figures for May which appeared to show the economy growing at a faster-than-expected rate. Meanwhile, sterling continued to be supported by a belief that it will become a full member of the European Monetary System in the autumn.

The imminent publication of US industrial production statistics, as well as those for consumer prices and trade, had kept the dollar confined to a narrow range in Japan and during the first half of the European trading day.

On the release of the trade and consumer price data, the dollar weakened, with dealers marking the US unit lower on the belief that the economy was slowing.

However, the dollar rebounded after it was announced that industrial production in May had risen by twice market expectations.

The news sparked off a wave

of short-covering and took the US unit above \$1.7000, its highest level for a week. Much of the short-covering took place in London and followed a similar move the previous day.

Many analysts felt that the dollar could be set to move higher over the coming week. Mr Christian Dunis of Chemical Bank said this could be the case, despite growing talk that the Federal Reserve might ease monetary policy when its open market committee meets in early July.

Taking all the latest data, the economy did appear to be slowing and would point to an easing in monetary policy. But he added that last month the Fed did not ease and had dashed market expectations.

"The market will adopt a cautious attitude and is likely to wait for a clear sign that the Fed is easing before eventually pushing the dollar lower. In the meantime, the dollar could rise," he said.

The dollar closed at

DM1.6930 from DM1.6845; at Y154.15 from Y154.00; at SF14.350 from SF14.345; at FF9.8850 from FF9.8800. The Bank of England's dollar index closed unchanged at 67.5.

Sterling remained underpinned by the expectation that Britain will join the exchange rate mechanism of the EMS in the autumn. Analysts said this expectation had prompted foreign investors to move into sterling.

Some dealers reported Middle Eastern selling of gold for sterling. The May inflation figures, which set 5.7 per cent as the highest since October 1982, also served to underpin the pound, since dealers reckoned that it would reduce any pressure for a cut in UK interest rates.

Sterling closed unchanged at DM2.8900; at \$1.7055; at SF14.4500 from SF14.4475; at FF9.7175 from FF9.7225; and at Y263.00 from Y262.75. Sterling's index was unchanged at 90.5.

## E IN NEW YORK

June 15	June 15	Previous
3-month	1.7105-1.7115	1.7095-1.7100
6-month	0.92-0.93	0.92-0.93
12-month	0.72-0.73	0.72-0.73

Forward premiums and discounts apply to the US dollar

## STERLING INDEX

June 15	June 15	Previous
3-month	90.7	90.5
6-month	90.5	90.5
12-month	90.5	90.5
15-month	90.5	90.5
18-month	90.5	90.5
21-month	90.5	90.5
24-month	90.5	90.5
27-month	90.5	90.5
30-month	90.5	90.5
33-month	90.5	90.5
36-month	90.5	90.5
39-month	90.5	90.5
42-month	90.5	90.5
45-month	90.5	90.5
48-month	90.5	90.5
51-month	90.5	90.5
54-month	90.5	90.5
57-month	90.5	90.5
60-month	90.5	90.5
63-month	90.5	90.5
66-month	90.5	90.5
69-month	90.5	90.5
72-month	90.5	90.5
75-month	90.5	90.5
78-month	90.5	90.5
81-month	90.5	90.5
84-month	90.5	90.5
87-month	90.5	90.5
90-month	90.5	90.5
93-month	90.5	90.5
96-month	90.5	90.5
99-month	90.5	90.5
102-month	90.5	90.5
105-month	90.5	90.5
108-month	90.5	90.5
111-month	90.5	90.5
114-month	90.5	90.5
117-month	90.5	90.5
120-month	90.5	90.5
123-month	90.5	90.5
126-month	90.5	90.5
129-month	90.5	90.5
132-month	90.5	90.5
135-month	90.5	90.5
138-month	90.5	90.5
141-month	90.5	90.5
144-month	90.5	90.5
147-month	90.5	90.5
150-month	90.5	90.5
153-month	90.5	90.5
156-month	90.5	90.5
159-month	90.5	90.5
162-month	90.5	90.5
165-month	90.5	90.5
168-month	90.5	90.5
171-month	90.5	90.5
174-month	90.5	90.5
177-month	90.5	90.5
180-month	90.5	90.5
183-month	90.5	90.5
186-month	90.5	90.5
189-month	90.5	90.5
192-month	90.5	90.5
195-month	90.5	90.5
198-month	90.5	90.5
201-month	90.5	90.5
204-month	90.5	90.5
207-month	90.5	90.5
210-month	90.5	90.5
213-month	90.5	90.5
216-month	90.5	90.5
219-month	90.5	90.5
222-month	90.5	90.5
225-month	90.5	90.5
228-month	90.5	90.5
231-month	90.5	90.5
234-month	90.5	90.5
237-month	90.5	90.5
240-month	90.5	90.5
243-month	90.5	90.5
246-month	90.5	90.5
249-month	90.5	90.5
252-month	90.5	90.5
255-month	90.5	90.5
258-month	90.5	90.5
261-month	90.5	90.5
264-month	90.5	90.5
267-month	90.5	90.5
270-month	90.5	90.5
273-month	90.5	90.5
276-month	90.5	90.5
279-month	90.5	90.5
282-month	90.5	90.5
285-month	90.5	90.5
288-month	90.5	90.5
291-month	90.5	90.5
294-month	90.5	90.5
297-month	90.5	90.5
300-month	90.5	90.5
303-month	90.5	90.5
306-month	90.5	90.5
309-month	90.5	90.5
312-month	90.5	90.5
315-month	90.5	90.5
318-month	90.5	90.5
321-month	90.5	90.5
324-month	90.5	90.5
327-month	90.5	90.5
330-month	90.5	90.5
333-month	90.5	90.5
336-month	90.5	90.5
339-month	90.5	90.5
342-month	90.5	90.5
345-month	90.5	90.5
348-month	90.5	90.5
351-month	90.5	90.5
354-month	90.5	90.5
357-month	90.5	90.5
360-month	90.5	90.5
363-month	90.5	90.5
366-month	90.5	90.5
369-month	90.5	90.5
372-month	90.5	90.5
375-month	90.5	90.5
378-month	90.5	90.5
381-month	90.5	90.5
384-month	90.5	90.5
387-month	90.5	90.5
390-month	90.5	90.5
393-month	90.5	90.5
396-month	90.5	90.5
399-month	90.5	90.5
402-month	90.5	90.5
405-month	90.5	90.5
408-month	90.5	90.5
411-month	90.5	90.5
414-month	90.5	90.5
417-month	90.5	90.5
420-month	90.5	90.5
423-month	90.5	90.5
426-month	90.5	90.5
429-month	90.5	90.5
432-month	90.5	90.5
435-month	90.5	90.5
438-month	90.5	90.5
441-month	90.5	90.5
444-month	90.5	90.5
447-month	90.5	90.5
450-month	90.5	90.5
453-month	90.5	90.5
456-month	90.5	90.5
459-month	90.5	90.5
462-month	90.5	90.5
465-month	90.5	90.5
468-month	90.5	90.5
471-month	90.5	90.5
474-month	90.5	90.5
477-month	90.5	90.5
480-month	90.5	90.5
483-month	90.5	90.5
486-month	90.5	90.5
489-month	90.5	90.5
492-month	90.5	90.5
495-month	90.5	90.5
498-month	90.5	90.5
501-month	90.5	90.5
504-month	90.5	90.5
507-month	90.5	90.5
510-month	90.5	90.5
513-month	90.5	90.5
516-month	90.5	90.5
519-month	90.5	90.5
522-month	90.5	90.5
525-month	90.5	90.5
528-month	90.5	90.5
531-month	90.5	90.5
534-month	90.5	90.5
537-month	90.5	90.5
540-month	90.5	90.5
543-month	90.5	90.5
546-month	90.5	90.5
549-month	90.5	90.5
552-month	90.5	90.5
555-month	90.5	90.5
558-month	90.5	90.5
561-month	90.5	90.5
564-month	90.5	90.5
567-month	90.5	90.5
570-month	90.5	90.5
573-month	90.5	90.5
576-month	90.5	90.5
579-month	90.5	90.5
582-month	90.5	90.5
585-month	90.5	90.5
588-month	90.5	90.5
591-month	90.5	90.5
594-month	90.5	90.5
597-month	90.5	90.5
600-month	90.5	90.5
603-month	90.5	90.5
606-month	90.5	90.5
609-month	90.5	90.5
612-month	90.5	90.5
615-month	90.5	90.5
618-month	90.5	90.5
621-month	90.5	90.5
624-month	90.5	90.5
627-month	90.5	90.5
630-month	90.5	90.5
633-month	90.5	90.5
636-month	90.5	90.5
639-month	90.5	90.5
642-month	90.5	90.5
645-month	90.5	90.5
648-month	90.5	90.5
651-month	90.5	90.5
654-month	90.5	90.5
657-month	90.5	90.5
660-month	90.5	90.5
663-month	90.5	90.5
666-month	90.5	90.5
669-month	90.5	90.5
672-month	90.5	90.5
675-month	90.5	90.5
678-month	90.5	90.5
681-month	90.5	90.5
684-month	90.5	90.5
687-month	90.5	90.5
690-month	90.5	90.5
693-month	90.5	90.5
696-month	90.5	90.5
699-month	90.5	90.5
702-month	90.5	90.5
705-month	90.5	90.5
708-month	90.5	90.5
711-month	90.5	90.5
714-month	90.5	90.5
717-month	90.5	90.5
720-month	90.5	90.5
723-month	90.5	90.5
726-month	90.5	90.5
729-month	90.5	90.5
732-month	90.5	90.5
735-month	90.5	90.5
738-month	90.5	90.5
741-month	90.5	90.5
744-month	90.5	90.5
747-month	90.5	90.5
750-month	90.5	90.5
753-month	90.5	90.5
756-month	90.5	90.5
759-month	90.5	90.5
762-month	90.5	90.5
765-month	90.5	90.5
768-month	90.5	90.5
771-month	90.5	90.5
774-month	90.5	90.5
777-month	90.5	90.5
780-month	90.5	90.5
783-month	90.5	90.5
786-month	90.5	90.5
789-month	90.5	90.5
792-month	90.5	90.5
795-month	90.5	90.5
798-month	90.5	90.5
801-month	90.5	90.5
804-month	90.5	90.5
807-month	90.5	90.5
810-month	90.5	90.5
813-month	90.5	90.5
816-month	90.5	90.5
819-month	90.5	90.5
822-month	90.5	90.5
825-month	90.5	90.5
828-month	90.5	90.5
831-month	90.5	90.5
834-month	90.5	90.5
837-month	90.5	90.5
840-month	90.5	90.5
843-month	90.5	90.5
846-month	90.5	90.5
849-month	90.5	90.5
852-month	90.5	90.5
855-month	90.5	90.5
858-month	90.5	90.5
861-month	90.5	90.5
864-month	90.5	90.5
867-month	90.5	90.5
870-month	90.5	90.5
873-month	90.5	90.5
876-month	90.5	90.5
879-month	90.5	90.5
882-month	90.5	90.5
885-month	90.5	90.5
888-month	90.5	90.5
891-month	90.5	90.5
894-month	90.5	90.5
897-month	90.5	90.5
900-month	90.5	90.5
903-month	90.5	90.5
906-month	90.5	90.5
909-month	90.5	90.5
912-month	90.5	90.5
915-month	90.5	90.5
918-month	90.5	90.5
921-month	90.5	90.5
924-month	90.5	90.5
927-month	90.5	90.5
930-month	90.5	90.5
933-month	90.5	90.5
936-month	90.5	90.5
939-month	90.5	90.5
942-month	90.5	90.5
945-month	90.5	90.5
948-month	90.5	90.5
951-month	90.5	90.5
954-month	90.5	90.5
957-month	90.5	90.5
960-month	90.5	90.5
963-month	90.5	90.5
966-month	90.5	90.5
969-month	90.5	90.5
972-month	90.5	90.5
975-month	90.5	90.5
978-month	90.5	90.5
981-month	90.5	90.5
984-month	90.5	90.5
987-month	90.5	90.5
990-month	90.5	90.5
993-month	90.5	90.5
996-month	90.5	90.5
999-month	90.5	90.5

## CURRENCY RATES

June 15	June 15	Previous
3-month	0.7177-0.7187	



















Handwritten: *Handwritten text, possibly a signature or name, inside a decorative border.*



● Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 071-925-2128.

[illegible]

## Money Market Trust Funds

	Gross	Net	Car	Inc	Div
<b>CAF Money Management Co Ltd</b>					
68 Pembury Road, Tonbridge TN11 2JD				0732 761111	
Calcutta Deposit Plc	154.67			15 5215-14	
<b>The COIF Charities Deposit Account</b>					
2 Fife Street, London EC2Y 5AQ				071-566 1213	
Deposits	14.75			15 513-16	
<b>Cent. Bd. of Fin. of Church of England</b>					
2 Fife Street, London EC2Y 5AQ				071-566 1811	
Deposits	14.75			15 513-16	
<b>Carrollmore Money Management Ltd</b>					
33 White Hart Yard, London SE1R 1MY				071-236 1421	
Call Fax	14.27	11.13		15 251-6-48	
7-day Fund	14.39	11.22		15 381-6-48	
Special Fund	14.62			15 101-3-48	
Director	16.87	9.36		15 751-3-48	

## Money Market Bank Account

	Cons	Net	Gr Yield	Car	Im
<b>Altham Home Bank plc</b>					
30 City Road, EC1Y 2AY					
Treasury A/c	11.50	70.53	14.61	607	
Mortgage Lending (1996)	13.50	10.12	15.60	607	
Warrant Debt (1996-1999)	14.00	10.92	15.12	607	
With Let Cos (2000-2001)	14.53	13.31	15.88	607	
<b>Allied Trust Bank Ltd</b>					
97-101 Cannon St, London, EC4N 5AD					
OHINA (£2,001+)	14.78	11.53	16.210	607	
HICA (£2,001+)	13.90	10.84	15.74	607	
MICRA (£250,001+)	14.90	11.62	16.340	607	
<b>American Express Bank Ltd</b>					
c/o American Express Financial Services Limited					

40 The Martlets, Bangor, HI				
West Saver, RH15 9HW 0434 870088				
<b>High Performance Cheese Account</b>				
100,000-200,000	9.50	12.87	MH	
25,000-49,999	9.00	13.01	MH	
10,000-24,999	12.81	10.00	13.50	MH
125,000+	13.50	10.60	14.46	MH
<b>Bank of Ireland High Interest Cheese Acc</b>				
36 Queen St, ECAR 1BN	071-625 7000			
2,000-9,999	13.78	10.750	14.221	SH
10,000+	14.03	11.000	15.283	SH
<b>Bank of Scotland</b>				
39 Threadneedle St, EC2P 2EH	071-601 6746			
100,000-249,999	13.4	10.45	14.62	MH
250,000+	13.65	10.64	14.91	MH

Barclays Capital Advantage Account			
94 St Paul's Churchyard	EC41 8EH	071-748 915	
L10,000-£24,999	14.00	10.25	15 13
£25,000-£49,999	14.25	12.25	15.57
£50,000+	14.50	11.00	15 87
Barclays Prime Account H.I.C.A.			
PO Box 125 Northampton			0404 26289
L1,000-£9,999	11.88	9.50	10 10
L10,000-£24,999	12.00	9.50	13 13
L25,000-£49,999	12.50	10.00	13.84
£50,000+	13.10	10.25	14 20
Bankmark Bank PLC Premier Account			
40 Newman Street, W1P 3LD		071-631 831	
Small Deposits	10.50		
£25,000-£10,000	13.50	10.53	14 60

£10,001-£20,000	13.75	10.33	14.90	9.61
£20,000+	14.50	11.31	15.73	10.25
<b>B &amp; C Merchant Bank PLC Portfolio Acc</b>				
14 Mozzano Street, London SW1C 9LB	971-245-6611			
£2,500-£9,999	12.38	9.61	11.26	9.61
£10,000-£49,999	13.75	10.33	14.90	9.61
£50,000 and above	14.50	11.31	15.73	10.25
<b>Brown Shipley &amp; Co Ltd</b>				
Founders Court, Lambury, London EC2	071-406-9033			
Min Portfolio A/c	10.92			
Per Portfolio A/c	13.75	10.43	14.46	9.61
<b>Caledonian Bank Plc</b>				
25 Andrew Square, Edinburgh EH2 2PP	031-556-8233			
£1,000-£4,999	14.50	11.36	15.13	10.25
£5,000-£9,999	14.50	11.36	15.13	10.25
£10,000-£49,999	14.50	11.36	15.13	10.25
£50,000 and above	14.50	11.36	15.13	10.25

<b>Caterpillar Inc.</b>		
55 Bronx Ave., London EC4M 9DJ		071-653 2078
MICA		16.77
Export 15,000 mtd.	14.00	10.92
		13.51
<b>Charterhouse Bank Limited</b>		
1 Finsbury Row, ECAN 7DH		071-348 4040
£1 million	13.25	10.34
£5,000-£99,999	13.50	10.33
£100,000-£99,999	13.75	10.73
£100,000+	14.00	10.92
£5,000-£99,999	7.60	5.46
£100,000-£99,999	7.65	5.49
£100,000+ £199,999	7.70	5.55
£200,000+	7.75	5.59

Many other currencies are available - for rates please phone us, ZIA@

Crishback Savings				
51 Martins Hse Hammondsville Grove W6 081-741-4941				
Money Market Plan				
12,000-23,499	11.00	8.50	11.75	Money Market
24,000 -	11.50	9.00	12.51	Money Market
Clydesdale Bank PLC				
30 St Vincent Place Glasgow G1 2HL 041 248 7070				
NICA 21,000-49,999	11.00	9.00	11.50	Money Market
C18,000-214,999	11.00	10.00	12.00	Money Market
50,000-199,999	11.00	10.50	12.50	Money Market
200,000 -	11.00	10.50	13.00	Money Market
Co-operative Bank Ysg Ysg Tm				
78-80 Cornhill EC3				
1200-4999	10.5	8.0	10.5	Money Market
5,000-12,499	10.5	8.0	10.5	Money Market

12,500-13,499	12.5	12.5	0-100
13,500-14,499	13.5	13.5	0-100
15,000+ (no attorney)	15.0	14.7	0-100

**Credits & Debits**

Reserve Account

440 Sorand, London WC2R 0GS 071-753 1000

1/2 Personal cashflow

120,000	12.75	12.75	14.02	0yr
120,000-140,999	12.75	12.75	13.30	0yr
150,000-210,999	12.75	12.75	13.30	0yr

7/6 business, corporate and satellite

110,000-110,000	11.5	10.25	14.74	0yr
110,000-120,999	11.5	10.25	13.30	0yr
110,000-220,999	11.5	9.75	13.30	0yr

Credits Composite Account for elite money

27 Beth Lane, London EC4R 0AA 071-633 3434

Notes negotiable up to	14.25	11.125	-	-
<b>Dartington &amp; Co Ltd</b>				
10% Mkt Asset, Plymouth Pl 3AB			0752	073873
Money Mkt Asset	13.75	10.75	14.94	07
<b>Edlington Plc</b>				
1 King Street, Manchester M2 6AW			061	834 2375
HICAP (L1, 00004)	14.3125	11.31	25.51	Qtr
<b>Money Market Demand Account</b>				
21-6999	10.00	7.00	10.80	Mch
21.000-224.999	10.00	7.00	10.80	Mch
225.000-249.999	12.375	9.375	12.74	Mch
250.000-699.999	14.00	11.00	16.03	Mch
700.000 upwards	14.00	11.00	16.03	Mch
<b>Ninety Day Notice Account</b>				
21.000-224.999	14.75	11.505	15.24	Yearly

\$25,000	12.25%	12.75%	13.75%	Yearly
<b>Financial &amp; General Bank</b>				
13 Linnards Street, London, SW12 9EX				071-735 0036
H.I.B. £15,000-£15,000	13.40	10.50	13.70	071
H.I.D.A. £15,000+	13.67	10.70	13.70	071
<b>Garthmore Money Management Ltd</b>				
2-3 White Hart Yard, Lissen SE1 1HX				071-236 1423
Money Mgmt. Acc.	13.625	10.631	14.7915	4-MO
<b>Grifonebank plc High Interest Cheque Acc.</b>				
10 Mills St, London EC2V 8JH				071-600 6020
£1,000-£3,999	10.75	9.50	12.75	Yearly
£4,000-£9,999	10.50	9.50	12.50	Yearly
£10,000-£49,999	11.75	10.00	13.33	Yearly
£50,000+	12.75	10.50	14.00	Yearly
<b>Numbersville Finance Group</b>				

Quality Co. Winchester Rd., Bangs Lake	0256	9418	3
\$50,000+ .....	15.00	11.70	10.30
<b>Lloyds Bank - Investment Account</b>			
1/1 Lombard St., Lawrence ESP 383	071	325	16.43
\$25,000+ .....	14.5	11.7	15.6
\$10,000+ .....	14.0	11.3	15.1
\$5,000+ .....	13.9	10.9	14.6
Brexit 15,000+ .....	12.7	9.5	7.3
<b>M &amp; G/Kleinwort Benson</b>			
M & G H.R., Victoria Bld., Deansgate	0245	706	26
K.I.C.A. (25,000+) .....	13.25	10.35	14.47
<b>Midland Bank plc</b>			
Po Box 2, Sheffield,			0742
High Rise City Acc. ....	13.18	9.80	13.13
	12.72	9.80	13.13

£50 000*	13.36	10.50	14.56	0tr
Proter Savings £25,000	14.10	11.00	15.07	6-6th
Extracare Act £10,000	14.74	11.50	19.77	6-6th

NatWest Special Reserve Account			
41 Louthbury London, E22P 2BP		071-374	33/74
£25,000 and above	13.25	10.00	13.84
£10,000 to £24,999	12.75	9.625	13.30
£2,000-9,999	12.5	9.25	12.81
£500-1,999	11.75	9.00	12.41

Provincial Bank PLC			
30 Asker Rd, Altrincham, Cheshire		061-426	0411
H.C.A.7C1,0000	11.25	11.02	15.45

Royal Bank of Scotland plc Premium Acc			
42 St Andrew Sq, Edinburgh EH2 2YE		031-228	5630
£25,000 and above	13.25	10.00	13.84
£10,000 to £24,999	12.75	9.625	13.30
£2,000-9,999	12.5	9.25	12.81
£500-1,999	11.75	9.00	12.41

£50,000	£40,999	13.70	10.75	14.62	Qtr
£100,000	£80,999	13.70	10.40	14.71	Qtr
£150,000	£120,999	12.50	9.75	14.90	Qtr
£200,000	£160,999	12.50	9.75	14.90	Qtr
<b>Save &amp; Prosper/Robert Fleming</b>					
28 Western Rd, Romford RM1 3LB					
R.I.B.A.		13.25	10.94	14.52	Quarterly
<b>Stirling Bank &amp; Trust Ltd</b>					
Aubrey Goss, 4 Aubrey St, Reading RG1 3BA					
TSB £25,000		13.70	10.69	14.63	10-18m
<b>TSB Bank plc (England &amp; Wales)</b>					
100 Lower Thames St, London EC3R 6AD					
H.I.C.A. £1-5,000		7.00	5.50	7.33	Monthly
£500-£1,999		7.00	5.50	10.00	Yearly
£2,000-£4,999		11.50	9.00	12.00	Yearly

£25,000-£24,999	11.75	9.30	12.40	Yearly
£20,000+	11.75	4.60	12.80	Yearly
<b>Tyndall &amp; Co Ltd</b>				
20-33 Princess Victoria St, Bristol			0272 744720	
Demand Acc.	13.75	10.75	14.93	Qtr
HFLA	13.75	10.75	14.93	Qtr
HFLA £100,000+	14.00	10.92	15.22	Qtr
Client Plan	13.37	10.43	14.46	Qtr
<b>J. Henry Schroder Wagg &amp; Co Ltd</b>				
120 Cheapside, London EC2V 6DS			071-382 6000	
Special Acc.	13.75	10.72	15.62	Mth
£10,000 and above	14.000	10.92	15.31	Mth
<b>Western Trust High Interest Cheque Acc</b>				
The Manchester, Pimlico PL 1SE			0752 224141	

\$25,000+	14.50	11.31	15.73	Qtr
\$25,000-\$49,999	14.25	11.15	15.45	Qtr
\$10,000-\$24,999	14.00	10.92	15.17	Qtr

**Wilmington & South West Finance Co Ltd**  
 114 Newport St, London EC1 7AE 071-605 9485  
 High Int. Charge Acc. 14.50 11.31 15.73 Qtr

**NOTES**-Gross rate to those exempt from composite rate of tax net actual rate after deduction of CRT or Equiv C&A;  
 Gross equivalent to basic rate taxpayer-compounded annual rate less CRT or frequency interest credits

**MANAGED FUNDS NOTES**

Prices are in price unless otherwise indicated and those designated \$ with no profit refer to U.S. dollars. Voids allow for all buying expenses. Prices of certain older insurance linked plans subject to capital gains tax on sales. In Distribution free of UK taxes. \* Periodic premium increase plans. † Single premium insurance. ‡ Offered price includes all expenses except agent's commission. § Previous day's price as 4:00pm gross. ¶ Suspended. \*\* Not available in the U.S. \*\*\* Not available. †† Only available to charitable investors. ††† Yield column shows annualized rates of NAV increase and are divided.

1<sup>st</sup> Funds not SIC recognized. The regulatory authorities for these funds are Gateway Financial Services Commission, Isle of Man, Financial Supervision Commission, Jersey, Commercial Relations Department.

DATE COMPLETED: 11/01/01 PROJECT NUMBER: 01200000000000000000







## Despite a passion for Greek symbols, 'quants' claim to be normal people

Theory and the canonical form of the mean-variance selection model would provide an ideal way of introducing their craft, but as ever in the daily business press, space dictates that detailed techniques must take a back seat; what the investor really wants are "the facts."

**Adrian FitzGerald**

*Adrian FitzGerald is Director of Quantitative Research at County NatWest WoodMac.*

## Weakness in US weighs on bourses

**COPENHAGEN** inched up to another record, rising 0.06 to 382.50, a gain of 1.6 per cent on the week. Insurers continued to attract buyers after the previous day's news that Hafnia Holding, up DKr3 to DKr728, had raised its stake in Baktra Holding, up DKr3 to DKr393, to 28.5 per cent.

**AMSTERDAM** ended lower as a short burst of afternoon selling orders coming from the options exchange weighed on prices. The CBS Tendency index fell 0.01 to 100.0, little changed on the week.

**MADRID** declined in cautious fashion to 284.23, the general index fell 1.32 to 284.23, ending little changed over the week. Telefonica, the telecommunications group, added Ptas to Ptas45 to Ptas46.50, but lost 1.25 in telephone rates at its annual shareholders' meeting.

**ZURICH** slipped on profit-taking in response to the early fall on Wall Street, with the Credit Suisse index losing 0.7 to 1,000.0, rising 1 per cent on the week.

## LONDON SHARE SERVICE

[illegible][illegible]

7. Bethlehem Steel Co.	97.2	4
8. Bio-Rad Labs. A.	11.5	
9. Bunting Inc.	141	51



**INDUSTRIALS (Miscel.)—Contd.**

Instals











# Weekend FT

SECTION II

Weekend June 16/June 17 1990

"A quarante-neuf ans, j'entraîs dans l'histoire, comme un homme que la destinée jette hors de toutes les séries." (At 49, I launched into the unknown, like a man whom fate had cast in a class by himself, apart from all others.)

**S**O GENERAL Charles de Gaulle, described in his war memoirs, the extraordinary turn which his career took 50 years ago this weekend. Until then he had been known only to a narrow circle of soldiers and politicians interested in military theory. From then he was condemned, in his own words, "to assume the destiny of France."

It was as "the man of June 16" that his supporters were to hail him throughout the 30 years of extraordinary public life that lay ahead.

Twice in those 30 years de Gaulle was to transform France's fortunes, and especially her image in the outside world. Between 1940 and 1945 he led her from a defeat so decisive and humiliating that it seemed inconceivable she would ever again be a world power, whatever the outcome of the wider war, to acceptance as one of the "Big Four" in Europe, and one of the five permanent members of the UN Security Council. Between 1958 and 1969 he turned the sick man of Europe, sapped by a colonial war which shifting coalition governments could neither win nor bring to an end, into a stable democracy with one of Europe's most successful economies.

He left public life finally on April 28 1969, resigning abruptly when the result of a referendum showed that he no longer had the majority of the French people behind him. (Death was to follow 18 months later, on November 9 1970 - a fortnight before his 80th birthday.)

Between then and today a further transformation was to occur, in de Gaulle's own reputation. In the late 1950s, the last years of his rule, when I began my career in Paris, de Gaulle was an intensely controversial figure both in France and abroad. At home he was bitterly opposed by the left as an authoritarian conservative. The leader of this opposition, François Mitterrand, actually wrote a book denouncing the Fifth Republic as "a permanent coup d'état." Abroad de Gaulle was reviled, at least among France's allies, for taking his country out of NATO's military structure, attacking the role of the dollar in the world monetary system, blocking British membership of the EEC, campaigning against American influence in Europe, siding with the Arabs in the Six-Day War, and backing separatism in Quebec.

Today in France no-one questions the powers of the President. All the more who now wield them. Even abroad there is widespread recognition that de Gaulle, by stressing France's independence, achieved a consensus on national defence, including nuclear deterrence, which exists in no other country and which makes France a peculiarly valuable ally. The Franco-German friendship which he forged with Konrad Adenauer, the West German Chancellor from 1949 until 1963, remains the bedrock not only of French foreign policy, but of all the current efforts to integrate a

united Germany into a united Europe. The justice of de Gaulle's criticisms of the Bretton Woods monetary system, and of the Vietnam War, has long since been recognised by the US itself. The grievances of the Arabs over Israel's occupation of their territory have also gained much wider international support. Even the special character of Quebec has been formally recognised in the Canadian constitution.

The man of June 16 1940 certainly deserves to be remembered, in this year which also marks the centenary of his birth. But who was he? Forlorn champion in France of the idea of a professional, highly mobile and mechanised army, against the prevailing doctrine of a massive defence line manned by conscripts, he was promoted *Chef de Brigade* (equivalent of a British Brigadier) only in May 1940, in the midst of the German blitzkrieg which, too late, was proving him right; and was brought into the government, as under secretary of state for national defence, on June 6.

**D**uring his 11 days in government he was occupied mainly with the effort to keep the Franco-British alliance alive, and took part in four emergency meetings with Churchill. At the last of these, which occurred in London 50 years ago today, he persuaded Churchill to make the dramatic offer of a complete union between the two countries; only to find, on his return to Bordeaux that night, that the French government of which he was a member had resigned.

That deprived him of any official status: he was an officer without a command, in an army which had just been routed, and a politician without office, in a state that was preparing to capitulate. With 100,000 francs of French secret service money, given him by the outgoing prime minister, he returned to London in a British aircraft, saw Churchill again and asked for airtime on the BBC. On the night of the 17th the new French government of Marshal Pétain requested an armistice, and the following evening de Gaulle broadcast his "appeal to the French."

"Believe me," he declared. "I know what I am saying and I tell you that nothing is lost for France. The same means that have beaten us on one day bring us victory... I, General de Gaulle, now in London, invite the French officers and soldiers who are or may come to be on British soil, with or without their weapons, and the engineers and specialised workers of the munitions industries... to make contact with me. Whatever happens, the flame of French resistance must not and will not be extinguished."

He spoke in no-one's name but his own, for no-one had mandated him to speak. Indeed on that day few people heard him. In the chaos of a defeated France, few people shared de Gaulle's vision, the flame of French resistance must not and will not be extinguished.

It was the very fact of his obscurity and almost complete isolation



## When fate cried out

Edward Mortimer reassesses the life of General de Gaulle

on June 16 1940 that gave both the date and the man their historic quality. By 1944 it was more or less true, as de Gaulle was to write, that "France as a whole now wants only her liberation." But who else, besides de Gaulle, could claim that their birth in that year had never wavered, that they had not taken at least a few weeks or months after the defeat to recover their nerve, and to decide what course of action was required of them?

Yet there was the text of de Gaulle's appeal, with the date on it, showing that even before the armistice was signed he had known that he must carry on the struggle, never doubting the ultimate outcome. Almost alone, in the anguish and bitterness and panic of defeat, he had been able to see things in proportion.

Incidentally, it was this very lucidity and confidence about the ultimate outcome of the war that was to make de Gaulle such an awkward ally. He took it for granted that Hitler would be defeated, and he knew that this did not depend on the contribution to be made by French forces. He

wanted that contribution to be as great as possible for the sake of French power, prestige, and above all self-respect, in the post-war world.

The danger he saw was not that Hitler might win but that the Allies would take France for granted and ignore her interests. It was not enough that Britain, or later the US, should make use of French talents and French resources in pursuing the struggle against the common enemy, "France," even though defeated and occupied, had to be seen to take part in the struggle in her own right, as a proud and independent power, united behind a single leadership.

That leadership fell to him because, in June 1940, he was the only person willing to assume it: "Devant le vide effrayant du renoncement général, une mission s'appuyait, d'un seul coup, claire et terrible. En ce moment, le rôle de son histoire, c'était de moi d'assumer la France." (In the fearsome void left by the general desertion, my mission stood out with a sudden and terrible clarity. At this moment, worst of any in his history, it fell to me to assume

the destiny of France.)

Having once decided that, he had to insist on his exclusive right to represent France within the Allied camp, and to issue orders to French soldiers and citizens.

The picture of a solitary combat against predatory allies and self-serving rivals which he paints in his war memoirs is based on the historical facts, but heightened because the picture itself was part of Gaullism's self-justifying myth: "Je France ensem et contre tous." Thus de Gaulle frequently expresses admiration, and sometimes gratitude, towards Churchill, but he never really admits how much France's recovery of world power status at the end of the war resulted from deliberate British policy.

He was deeply chagrined at not being invited to the Yalta summit in February 1945, and in later years he assiduously cultivated the myth that Yalta had been the origin of "the policy of blocs," by which the rival superpowers cynically divided Europe into spheres of influence. Yet it was at Yalta that Churchill persuaded a reluctant Roosevelt and even more reluctant Stalin to

accept France as one of the four occupying powers in postwar Germany.

De Gaulle did not believe in gratitude or sentiment as principles of foreign policy. When foreign governments invoked such motives, he assumed always that they were doing so as pretext for advancing their national interest. When French people did so he saw it as a sign of weakness, of what he believed was "the national propensity of the French to yield to foreigners and to quarrel among themselves."

Like today's British prime minister, he was deeply suspicious of the habits of mind which professional diplomats and other civil servants had developed during a generation of weak political leadership: "Among those who in their career had had to deal more or less closely with external affairs, concession was most often a habit, if not a principle. Many took it for granted, from experience acquired under a weak and unstable regime, that France never said 'No'."

De Gaulle was a pure product of the age of nationalism. He took for

granted that nation-states are the main actors in the international system, that they define the primary identity of individuals and should be the primary focus of their loyalty.

Only two nations in Europe, in his view - France and England - had a clear enough historical and geographical identity to play this role satisfactorily. (He allowed Holland as a possible third, but Holland was not big enough to be really interesting to him.) Most of Europe's problems, he thought, resulted from the lack of such clearly defined nation-states, and particularly from the amorphous nature of Germany, a half-formed nation without proper frontiers, condemned to trample on others in its restless search for its own identity.

Yet on his return to power in 1958 de Gaulle seemed to have concluded that in the post-war world the main threat to France's independence came no longer from Germany but from domination by the two superpowers. Not that he put the two on the same level. So long as Europe was divided, France clearly belonged on the Western side; for that very reason, her immediate preoccupation had to be with defending her independence against US hegemony. Of course, subjection to Soviet hegemony would have been far worse. But that was not the question, any more than the question in 1940 had been whether to fight Germany or not. The basic alignment being given, the task of the national leader was to guard against the encroachment of his allies on national sovereignty.

De Gaulle shared, or anticipated, Thatcher's deep dislike and contempt for supranational institutions such as the Brussels Commission. But he came to see European unity as something necessary to free Europe from the US, and also Soviet, domination. He wanted "a European Europe," by which he meant one capable of acting independently - above all from the US.

If de Gaulle were alive today, he would rejoice at the dissolution of "the Europe of Yalta." He would welcome the recovery of independence by East European nations, especially those traditionally allied to France such as Poland, Czechoslovakia and Rumania. He would probably seek, as François Mitterrand is doing, to bind the resurgent Germany more closely to France and other European nations.

He would worry about the apparent collapse of Soviet power and its effect on the European balance. He would probably want to keep some US forces in Europe as a counterweight to German power, but he would be intensely suspicious of US proposals to "police" NATO or institutionalise "the Helsinki process, which he would see as aimed at prolonging American hegemony and extending it to the entire continent."

And when he learned that the US was proposing a role for the dollar in the European Monetary System, and a free trade area between North America and the European Community, he would reflect once again how right he had been to keep Britain out of Europe, and how foolish his successor Pompidou had been to let her in.

## Acacia Avenue grapples with the ERM

THROGMORTON STREET'S professional investors are wildly enthusiastic about the forthcoming entry of the UK to the Exchange Rate Mechanism of the European Monetary System - an event now pencilled in by many better-informed colleagues for September or October. But how should such a move be greeted by the property owners in Acacia Avenue?

After all, the effects of the housing market on the political pulse of the country much more strongly than any antics involving stocks, bonds or currencies. Everybody assumes that mortgage rates must be trimmed by several notches ahead of the next General Election. So the ERM will pave the way for cheaper loans, demand will recover smartly, and house prices will stage a vote-catching recovery: average earnings, perhaps the most important ultimate determinant of house prices, have been rising briskly.

But just wait a minute. Surely it is a topsy-turvy argument to suggest that the ERM could be good for house prices. I have always had the impression that a fundamental reason for Margaret Thatcher's dogged opposition to ERM participation has been her fear that the brutal disciplines of the Bundesbank would knock the stuffing, and the votes, out of the British housing market.

It is wise to remember that we got here through a mortgage explosion. House prices rose faster than general inflation during the 1980s, and the personal sector's gross invest-

ment is now worth £1,000bn - representing nearly half of all personal wealth. It has been a wonderful ride for those at the front of the gravy train, but it is dreadful for those still trying to clamber on at the back. Yet they cannot be helped, because the inflated asset values which give such a warm feeling to the bulk of the population are politically sacrosanct (and are increasingly vital to the health of the lending institutions).

From some £7bn in 1980, annual net lending by banks and building societies for house purchase peaked at £33.5bn in 1988, and although it slipped back to £31bn last year the £3.6bn lent in the first quarter this year showed that the great credit machine is still running at quite close to full throttle. And no wonder, since even if new buyers are inhibited by high interest rates, the personal sector has something like £750bn of net equity locked up in housing which many people would like to release through re-mortgaging.

So we are faced with the great ERM paradox. Entry is popularly supposed to make possible a drop in interest rates encouraging a renewed burst in lending. But credit growth within the ERM will surely have to be brought right down into line with that seen in Continental Europe; if so, growth in M4, or "broad money," must decelerate from a rate of £70bn a year to something under £40bn, which would scarcely be enough to cope with the voracious borrowing needs of a buoyant

### The Long View



**Entry to the ERM would pose a teasing paradox in its impact on the future health of the UK housing market**

housing market, let alone with credit demands in the rest of the economy. It seems that £20bn a year of new credit can scarcely sustain house prices: values have stag-

nated (or worse) in the south for two years now, implying a fall in real terms of some 15 per cent (or worse if you are a forced seller). Heavy mortgage lending is needed to finance the sale of property at high prices from one generation to the next, so what would happen if the flow of credit were cut to, say, £15bn or £20bn?

On a purely domestic view it would scarcely be possible to bring interest rates down at all. But financial innovation is a rapid process. Within the ERM, D-mark-denominated mortgages would become much less risky than they are now, and a flood of DM lending at 10 per cent rather than sterling lending at 16 per cent would surely ensue. Alternatively, mortgages based on the bond market rather than on short-term deposits would become much cheaper. High short-term sterling rates might therefore become increasingly irrelevant to the housing market.

All the makings would be there of a dangerous temporary house price bubble which could only be headed off by structural changes. For instance, tax relief on mortgage interest could be withdrawn on the excuse that borrowers were benefiting from a sharp fall in interest rates and no longer needed a tax subsidy. But this surely could not happen before an election.

It is a question - as with the unsustainable rate of pay increases - of how quickly ERM participation will change attitudes in Britain, and what

sort of economic shocks might be necessary to do the job. With pay, the historical evidence is that only a sharp rise in unemployment will jolt union negotiators away from their RPI-plus demands. As for house prices, buyers will have to become aware that they could make substantial losses by buying over-priced property in a low inflation environment.

This process of education could be cushioned by curbs on the availability of credit, but that is not part of this Government's philosophy. Home owners may have to learn the hard way - although in a speech on Thursday Robin Leigh-Pemberton, Governor of the Bank of England, hinted at a campaign to curb the credit free-for-all.

The population at large is still hooked on the idea of housing as an investment - as a personal profit centre rather than a cost centre - but from a national viewpoint housing cannot be wealth-creating. High property values undermine international competitiveness if it is impossible to avoid the consequences through devaluation. Houses cost only half as much in France, and that will eventually cause people and economic activity to shift across the Channel, within the context of a monetary union.

In the medium term house prices and the UK must come down in real terms. But the adjustment to the realities of the ERM is not likely to be at all smooth. There could be plenty to talk about around those Acacia dinner tables.

## NEWTON INCOME FUND

### THE FIRST FIVE YEARS.

- 1st in its sector over 1 year
- 1st in its sector over 2 years
- 1st in its sector over 3 years
- 1st in its sector over 4 years
- 1st in its sector over 5 years

£1,000 invested in the Newton Income Fund at inception 5 years ago, would today be worth £2,932 and you would also have received an income over the same period totalling £355.01, net of basic rate tax.

Remember that the value of investments and the income from them may go down as well as up and that past performance is not a guarantee of future success.

(Source: Mifcor - offer to bid, with or without income reinvested. All figures to 1st June 1990 - UK Equity Income Sector)

If you would like more information on the Newton Income Fund please fill in this coupon and send it to: Newton Fund Managers Ltd., No.2 London Bridge, London SE1 9RA. Alternatively you can telephone Samantha Gilchrist or Jonathan Powell on 071-407 4404.

Name \_\_\_\_\_  
Address \_\_\_\_\_

## NEWTON

A NAME FOR THE NINETIES

Newton Fund Managers Ltd. are members of DMO, LAUTRO and the IFA.

FT 16

### CONTENTS

Finance: The hassle of buying a Swiss home	V	Gardening: Robin Lane Fox on designer pots	XIX
Perspectives: Christian Tyler on the animal rights movement	VII	Travel: Lucia van der Post goes on safari	XX
Food & Wine: Bottles for wine bores	XVI	Motoring: Stuart Marshall tests the new Vauxhall	XVII
Art: JCB-JCB	IX	Books: What's new	XVIII
Books: JCB-JCB	X	TV and Radio	XIX
Stage: JCB-JCB	XI	Music: JCB-JCB	XX
Photography: JCB-JCB	XII	Science: JCB-JCB	XXI
Environment: JCB-JCB	XIII	Health: JCB-JCB	XXII
Home: JCB-JCB	XIV	How To Spend It	XXIII



## MARKETS

LONDON

# Footsie follows in football's footsteps

## FINANCE & THE FAMILY: THIS WEEK

### Fair exchange — or robbery?

Sara Webb compares the exchange rates offered by the major credit cards when you use them abroad — and finds some of them wanting. Plus Christopher Hill on the problems of getting permission to live abroad. Page IV

### Door is shut on tax loophole

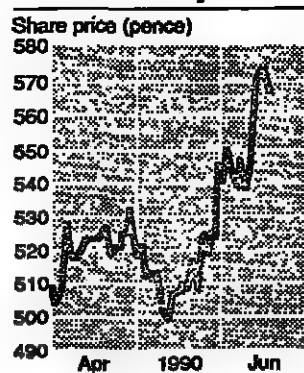
The introduction of the community charge in the UK is likely to have a nasty side-effect for those employees who live in company accommodation and thus enjoy one of the few remaining under-taxed perks. David Cohen reports. Page VI

### Minding Your Own Business

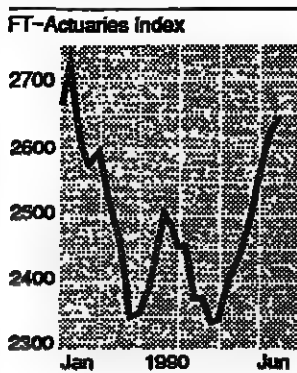
Roy Hodson meets a trio of contented entrepreneurs who run their own train tours through the Scottish Highlands. Plus Jessica Alexander on a businessman who found a niche in a niche sector and Verina Gleasner on a specialised small company. Page VII

### BRIEFCASE: The security of offshore accounts — Page VI

#### British Aerospace



#### Electricals



### Profits upgrading lifts British Aerospace

British Aerospace moved strongly ahead last week following a profits upgrading by Hoare Govett, the company's broker. BAE closed 25p higher on the week at 566p. Mike Tamin at Hoare Govett said the impact on profitability of the recent industrial dispute between BAE engineering workers and the company had at first been difficult to predict. However, it had now become clear that BAE was making a strong recovery. Tamin said he had raised his profits forecast for the current year to £335m from £285m. *Jim McCallum*

### Bumpy ride for electrical stocks

Electrical stocks had a bumpy ride as results from the Racal twins, Electronics and Telecom, and Cable and Wireless led to some cautious forecasts from analysts. The Racals were hardest hit. Profits were a little below expectations and analysts duly lowered their forecasts for the current year. Cable and Wireless's figures were what was expected and most researchers were content with their forecasts. The problem with the three companies is that as highly rated growth stocks the shares carry appropriately hefty price tags. If the profits they produce are only "all right" the shares are perceived as expensive and underperform the market. This week all three retreated — against the market trend. *Daniel Green*

### Building Society complaints rise

The number of complaints to the Building Society Ombudsman jumped to 2,021 last year from 1,217 in the previous year. Many of the complaints — 548 in all — were linked to Abbey National's flotation in July last year. If you have a complaint about Abbey National which falls inside the Building Society Ombudsman's terms of reference, it can still be dealt with provided that you lodge it before June 30 this year. Of the total 2,021 complaints only 44 ended with a ruling wholly in favour of the complaint, though many others were amicably resolved along the way. Cash machines and insurance continue to be the main topics taken to the Ombudsman.

■ Building Societies Ombudsman, Grosvenor Gardens House, 35-37 Grosvenor Gardens, London SW1X 7AW; tel: 071-831-0044. *David Barchard*

### Remember your gas vouchers . . .

If you still have your gas bill vouchers from the time of the British Gas privatisation, remember that you have to use them before September 30 as they will no longer be valid after that date. When British Gas was privatised, investors buying shares could choose whether they wanted to receive vouchers for paying off their gas bill. However, of the 2m vouchers issued, 50,000 vouchers still have not been used. If you cannot recall receiving or using your voucher you can check whether you are entitled to one by telephoning the British Gas Enquiry Line on 0272-294188 or by writing to the National Westminster Registrars, Registrars Department, Caxton House, PO Box 343, Redcliffe Mead Lane, Bristol BS99 7SQ. The enquiry line is open from 8-5 on weekdays and 8-12 on Saturday. *Sara Webb*

### Stockbroking team moves

The private client stockbroking team at Kitcat & Aitken moved to Henderson Crosthwaite this week. Stockbrokers Kitcat & Aitken, one of the best-known stockbroking names in the City, were closed by the Royal Bank of Scotland earlier this month. Nicholas Bagshaw, who headed their private client business, and his team of four stockbrokers who looked after about 1,000 private clients, have now joined Henderson Crosthwaite, a subsidiary of Guinness Mahon, which claims to be one of the five largest private client brokers in the UK. *Sara Webb*

### New account from NatWest

NatWest launched its Card Plus account this week, a cash card-based interest-bearing current account which pays 6 per cent per annum. There is no minimum balance requirement and no overdraft facility. NatWest is hoping to woo school-leavers by offering them free album vouchers worth £12. The account is also open to 13- to 15-year-olds, although they will not be allowed to have a chequebook or Servicecard (the combined cheque guarantee and cash withdrawal card). *Sara Webb*

WITH THE pick of the world's footballing nations (and Scotland) beginning their quadrennial quest for fame in Italy, it was perhaps fitting that the UK stock market should this week exhibit some of the most familiar and maddening traits of Bobby Robson's England XI. Like England, the market flattered to deceive that it could compete at the highest level, climbing on Thursday morning to within 40 points of the all-time peak of 2,463.7, attained on January 3. But, jolted by a turn for the worse on Wall Street and the higher-than-expected rise in the Retail Price Index for May, its performance at the tail-end of the week was disappointing. Satisfactory US trade figures released early Friday afternoon at least helped to ensure that the FT-SE 100 Share Index's overall weekly advance was maintained at respectable levels.

After an extraordinarily buoyant May (analogous to

England's recent 17-game unbeaten run) and a solid early June, an own goal was registered on Monday when the first of the week's economic releases pointed to a sharp rise in domestic retail sales.

Fortunately, an unexpectedly firm opening on Wall Street paved the way for a late equaliser and the FT-SE 100 Share Index closed an unremarkable 17.8 down at 2,348.8. It was a *Financial Times* report the next day that an early entry into Europe was under preparation that really set the ball rolling. The report stated that the British Government was preparing to take sterling into the European Monetary System's exchange rate mechanism in September or October. The effect was immediate and quite dramatic, with Footsie following the pound and gilt-edged bonds to higher ground.

The momentum was sustained on Wednesday, with Footsie achieving its first close-

ing level above 2,400 in more than five months. A welter of favourable factors, ranging from helpful economic statistics to better-than-expected corporate results, combined with the residual impact of the ERM rumours to propel the market forward. Volume was much improved too.

However, whereas Wall Street had ridden to the rescue on Monday, it became the villain of the piece three days later, jolting London's early self-assurance through an abrupt initial fall. In the end, Footsie maintained its precarious toehold above 2,400, closing down 2.4 at 2,403.0.

The bearish tone immediately reasserted itself on Friday, however, sustained by the worrying 9.7 per cent advance in the May RPI and the market closed at 2,392.3 — down 10.7.

At the end of the week, the consensus in terms of the driving forces behind stock market sentiment was that little had

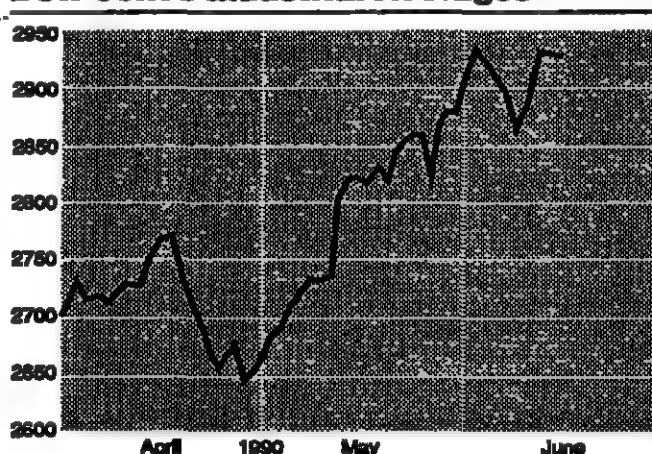
### HIGHLIGHTS OF THE WEEK

	Price y/day	Change on week	1990 High	1990 Low	
FT-SE 100 Index	2392.3	+25.7	2463.7	2103.4	UK EMR entry speculation
Alexon	493	+45	493	392	Analysts upgrade after results
Bowater	545	+24	558	414	Further consideration of rights issue
Devenish (JA)	165	-17	286	163	Poor figures
Fisons	355	-19	388	316	Analysts' caution on drug prospects
Finzelor Castors	98	-48	178	98	Interim loss
Granade	254	-24	357	218	Bid talk denied/stock gift
Pittard Garner	125	+19	141	90	Strong & Fisher bid speculation
Racal Electronics	204	-10	258	180	Analysts downgrade after results
Reuters	1284	+91	1305	970	US stock exchange deal imminent
Saschli & Saschli	911.2	-11.2	275	81	Line of stock on offer
Strong & Fisher	31	-4	140	25	Might bid for Pittard Garner
VPI	16	-4	75	15.2	Interim loss
VSEL Consortium	386	+60	400	276	Increased profits
Vesper Thornycroft	257	+34	259	209	Better-than-expected results

### WALL STREET

## A hold-up for credit

### Dow Jones Industrial Averages



other members of the administration have been urging for weeks now.

But any Fed action may still be a little way off, for the economic indicators which have had the stock and bond markets gyrating since the start of the year are still throwing up a mixed picture, albeit one which is pointing increasingly to slow economic growth and moderating inflation.

This has been highlighted by this week's batch of statistics and Wall Street's uncertain reaction to them. Figures on inflation had a calming effect, being well within the markets' expectations.

The important consumer price index figures for May showed a 0.3 per cent rise, excluding the volatile food and energy sectors. The April trade figures were also somewhat better than expected.

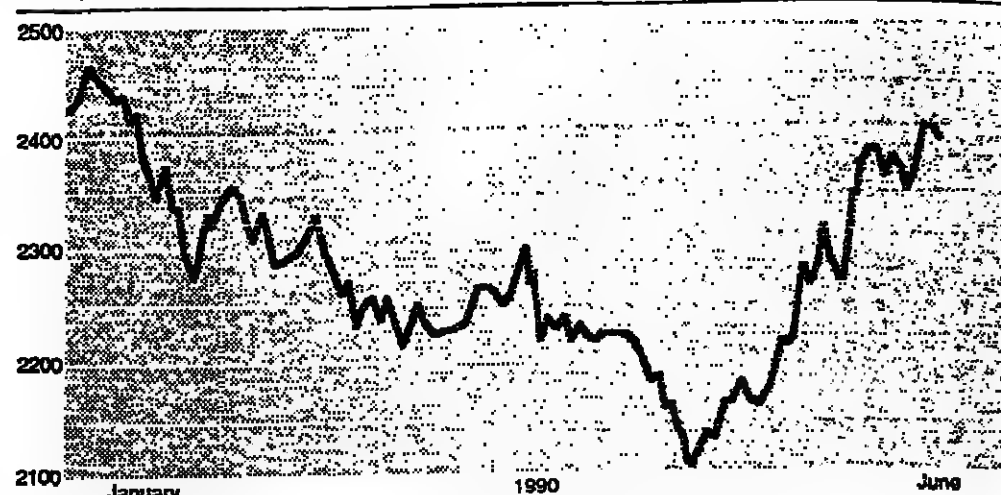
Retail sales, meanwhile, fell 0.7 per cent in May. This is the first time sales

have fallen for three months running since the recession year of 1981. Nevertheless, Moshbacher's view was that although the retail picture was not "good in itself" he saw little chance of recession in the near term.

So far so deflationary, and bond prices climbed accordingly. However, yesterday also brought news of a larger than expected jump in industrial production for May, which rose by 0.6 per cent, well above the consensus forecast of 0.4 per cent. That seemed likely to remove any enthusiasm at the Fed for an early cut in interest rates, and the bond market went into reverse yesterday.

Equities, for their part, spent the early part of the week rallying back toward the all-time high set by the Dow Jones Industrial Average at the start of this month but then drifted down in fairly thin volume as investors

### FT-SE 100 Index



changed. The effect of the renewed ERM speculation merely served to underline the extent to which the bull case is politically motivated: to wit that early entry into the mechanism coupled with the need to mollify voters in advance of a General Election, could trigger lower interest rates and hence produce a kinder, gentler business environment.

The importance of Wall Street in providing a more tangible plank to the bulls' platform was also reiterated by the speech with which the cloud that began to afflict New York towards the end of the week crossed the Atlantic.

Domestic economic statistics, meanwhile, continued to provide succour for the bears, particularly with regard to inflationary expectations.

On Monday, higher than expected retail sales for May provided fresh evidence of strong consumer demand in defiance of high interest rates. City analysts pinpointed the underlying 9.5 per cent rise in wages as the driving force behind the provisional 1.1 per cent rise in the Central Statistical Office's retail sales volume index.

Further evidence that inflation was alive and well and heading for double figures was provided yesterday by that 9.7 per cent May RPI advance.

On a brighter note, the pervasively buoyant atmosphere on Wednesday was helped by the revelation that last year's UK current account deficit —

at £19.07bn — was nearly £2bn less than previously thought, due to an unexpectedly strong invisible trade performance. If anything did shake the courage of the bears' convictions it was probably last week's batch of corporate news, which was surprisingly edifying after the prior week's rash of receiverships and administrations.

Admittedly, events started on a familiar and dismal footing with the announcement that 1,000 employees of Coleridge, the consumer products company, were to lose their jobs. This was followed by Barclays Bank's decision to make a provision of £100m against its exposure to the collapse of British & Commonwealth Holdings, the financial services group shaped at breakfast speed by John Gunn.

But thereafter, the corporate scene was decidedly rosier, as most of the handful of large companies due to report unveiled higher profits.

The roll of honour included: British Steel up 24 per cent at £738m; Anglian Water — comfortably above forecast at £86.1m; Cable & Wireless — ahead 55 per cent at £527m; the Racal twins (Telecom and Electronics) up 95 per cent and 13 per cent respectively; VSEL Consortium — getting on for doubled at £30.65m (a development that sparked a more than 10 per cent improvement in the defence contractor's share price); and Smith New Court — which rebounded to a profit of

£14.5m after the prior year's loss.

The market even looked favourably among some of those to report a profits downturn. The clearest examples of this occurred in the depressed construction sector. Meyer International, Britain's largest distributor of building materials, was ahead 31p to 385p on Tuesday despite a 19 per cent decline in pre-tax profits. A day later, Regal Properties, the commercial and residential developer, climbed 2p to 71p after it unveiled profits more than halved from £25.59m to £11.05m.

In Jimmy Greaves' parlance: "it's a funny old game . . ."

The week's most buoyant stock was Reuters, the news and information organisation, which surged to four all-time highs in as many days to finish at 1294 yesterday, 44p higher on the day.

The advance was helped along by much talk of US joint ventures, culminating in a leaked story that the Chicago Board Options Exchange and the American Stock Exchange were developing a screen-based system for trading in equities, options and indices, which would be carried out on Reuters screens. This was on top of the imminent joint venture with the American Stock Exchange to serve the market in privately placed securities in the US.

*David Owen*

### JUNIOR MARKETS

## Optimism belies mixed forecast

THE GREAT slide in the United Securities Market's performance relative to that of the market as a whole started in the middle of 1988. It has continued, almost without a break, ever since. And there have been brief New Year revivals in both 1989 and 1990. The Datastream USM index has underperformed the FT-Actuaries All-Share index by nearly 40 per cent since August 1988. And in absolute terms, the USM index is still nearly 30 per cent below its level of August 1988.

When the relative underperformance began, the market might have been looking ahead to 1989, and not faking what it saw. Overall, however, 1989 turned out to be a good year for smaller companies in every thing except public esteem. Calculations carried out by Mario Levis of Bath University, cited this week by stockbrokers Beeson Gregory, show that companies with a market capitalisation of £44m or less (the bottom 60 per cent of all the companies quoted on the Stock Exchange and USM — grew faster in earnings per share than the All-Share average of 20.7 per cent.

Broadly, the smaller the company, the better the earnings growth. The best results of all were recorded by companies with market capitalisations in the £4.8m to £7.9m range, which had earnings per share growth of 39 per cent in 1989 on Levis's figures. And the next best were the very smallest companies, those with less than £4.8m market capitalisation, which had earnings growth of 35.7 per cent.

Levis says these results were consistent with a very long-run trend in which smaller companies display faster earnings growth than larger ones. "What happened in 1989," he says, "was that smaller companies still had fast growth, but that there was much more variation in earnings among them than in previous years."

If you measure the variation of earnings about the mean, using the statistical measure known as the standard deviation, "the variability of smaller companies almost doubled," says Levis, compared with the previous year. The standard deviation for larger companies rose by much less, and for the very biggest companies it actually dropped.

This pattern of variation of earnings helps explain some of last year's stock market performance. Sharp rises in the shares of the very largest companies pushed the All-Share index up 30 per cent for the year. The Hoare Govett Extended Small Companies Index (listed and USM companies capitalised at less than £12m at the beginning of 1989) rose only 6 per cent over the year. Investors were clearly

willing to pay relatively less for each pound of small companies' earnings, since the riskiness of that earnings flow had risen greatly in comparison to that of the very largest companies. The price-earnings ratios of companies capitalised at £18m or less in Levis's calculations fell during 1989; by and large, those of bigger companies rose.

That was then; this is now. The prevailing mood among investors who follow small companies is one of optimism. Buy notes have appeared from a number of analysts, there are new small companies unit trusts and investment trusts, and Mitchell Teager, of the Birmingham stockbroker Albert & Sharp detects "the beginning of a change in institutional sentiment towards UK smaller companies."

Geoffrey Douglas, of Hoare Govett, says "smaller companies are now sitting on a discount to the market which I haven't seen since I began looking at the sector."

Despite these sentiments, the relationship of the Datastream USM index to the FT-Actuaries All-Share has continued to worsen. Douglas expects the interim results season for smaller companies later this year "could be quite poor," not least because their overall level increased in the latter part of 1989, so chairman will be reporting higher interest payments on higher debt. Levis says he expects a "very patchy" earnings performance from small companies in 1990.

The pattern was in evidence in announcements this week from USM companies. Moorfield Estates, a property company, doubled its pre-tax profits and HT Hughes, a waste disposal and demolition company, reported pre-tax profits up 30 per cent. But Ramus, a distributor of ceramic tiles, kitchen furniture and sanitaryware, warned of a loss in the second half of its financial year which is just ending. And Monks Crane, which distributes industrial and building tools, reported a 55 per cent fall in pre-tax profits for the year to end-March.

With property companies, building materials and construction making up between them the biggest single component of the USM — some 14 per cent of its total capitalisation — "patchiness" is likely to prove, if anything, a charitable description of the outlook for earnings. The prospects for an end to the USM's underperformance against the broader index depend on how willing investors are to overlook the wide variations in small company earnings — a trend of which there is likely to be all too much evidence in the months ahead.

*Peter Martin*

## Time for British Steel to prove its mettle

BRITISH STEEL's reputation as a cash generator will this year face the most severe test since its privatisation in late 1988.

British Steel is one of the most profitable and efficient steel producers in the world. According to Salomon Brothers it is selling at a 10 per cent discount to Bethlehem Steel and a 45 per cent discount to Thyssen of West Germany. In the steel business it is one of the most attractive stocks.

It has led the way in Europe to cut production costs. Within the next three years virtually all its steel will be made using low continuous casting technology. Its labour costs are only 19 per cent of total costs — one of the lowest rates in Europe.

This year pre-tax profits rose 24 per cent to £733m, on a 4 per

cent increase in turnover to £5.1bn. These results — even after a £145m exceptional provision to cover restructuring costs such as next year's closure of the Ravenscraig hot strip rolling mill — strengthened the company's balance sheet. British Steel ended the financial year with £783m in net liquid assets.

Yet investors have not made a killing on the shares. After privatisation the shares moved from about 130p to a high point of close to 180p in May last year, during the peak in steel demand. They fell back to about 130p last December before gradually climbing to settle between 140p and 150p. They have underperformed the FT-A All Share Index since the early part of 1989.

The company's dividend policy also remains fairly cau-

tious. The directors are recommending a full dividend for the year of 8.25p per ordinary share, up 10 per cent on last year. It is likely that dividends will track inflation. However, there is unlikely to be a wide margin between long term dividend growth and inflation — British Steel will have to work hard to constantly rebuild its cash stock and there will be many calls upon it.

It faces a squeeze on margins this year, with input costs increasing at about 9 per cent a year but output prices rising by only about 7 per cent. Steel demand in the UK has bottomed out at about 15 per cent below the peak it reached in the first half of last year.

The company is still heavily dependent on a weakened UK market but plans to broaden its base through acquisitions

in Continental Europe and in the US. It is on the way of paying in the region of £105m for the Trisor subsidiary of Klockner-Werke of West Germany. This should strengthen its position in the West German market, which is holding up well. It should also benefit from growing demand for steel to reconstruct East German industry.

However, despite British Steel's caution, the acquisitions should be a considerable drain on its cash. This year it has already spent £330m to acquire Walker & Sons, Britain's largest stockholder, to maintain its predominant position in the UK market. It has one of the strongest balance sheets of the European producers — interest and other income generated £94m last year — but the company is

likely to start borrowing to finance its US acquisitions, which will raise interest costs. All this comes as the European steel market is becoming more fluid and competitive. A large quantity of South Korean steel is still searching for a home after the Chinese stopped buying last year, and the Soviet Union has virtually halted imports in order to conserve hard currency. In the medium term imports into Europe from producers in the developing countries are very likely to rise. The over-capacity is not as great as it was in the dark days of the early 1980s, but it will ensure a fiercely competitive market for some time.

To face this competition British Steel will have to invest heavily to modernise its UK manufacturing base. Capital

expenditure, which rose to £450m in 1989-90 from £307m the year before, will have to be maintained at about £500m a year. The company also faces restructuring charges. Last December it announced plans to shed 1,200 jobs over the next two years. In May came the announcement of the plans to close Ravenscraig. Further redundancies are likely as the company concentrates production at its most efficient plants.

When these factors are combined with an increasing tax charge — as the company runs out of past losses to set against its tax bill — it is clear that the cash pile is not as great as it might at first sight seem. As Sir Robert Scholey, the chairman, says: "You only spend your money once."

*Charles Leadbeater*

John Smith



## FINANCE &amp; THE FAMILY

## Uncovering the secrets of society membership

ARE YOU a building society member? Thousands of people who thought they belonged to Abbey National before its flotation a year ago were disappointed to discover that for one reason or another they did not qualify. — and so did not receive the 100 free shares on its flotation.

Traditionally building societies were owned by their customers, whether they were savers or borrowers. This is known as mutual ownership. But quite a few of the new building society products do not confer membership.

If you are a Halifax saver, for instance, and shift your

Last year's Abbey National flotation brought qualifying members £140 worth of free shares (the value of which has subsequently shot up from £1.40 to more than £2.00 per share). If you happen to be a qualifying member of a society which is taken over and demutualised, analysts calculate that you should be able to look forward to a cash payment of £400 or more.

Membership is also important if your society proposes a merger with another society. You will be able to vote on the change, provided you have £100 in your account, and will pick up any bonus on offer, which can be 2 or 3 per cent on your savings balance.

It is disturbing therefore not only that societies like Halifax do not always make it clear to their customers whether or not their accounts confer membership, but also that branch staff do not always seem to know much about membership of the society either.

A Halifax branch in London told me recently that Cardcash confers membership. It doesn't. Check at the next desk said: "Only deposit accounts give membership. That's why they carry a lower interest rate. Also wrong."

Jim Murgatroyd, assistant general manager, says: "We assume that customers who have Cardcash will probably have several other savings accounts with us and one of these will probably confer membership."

More than three million Halifax customers have Cardcash accounts, so obviously the society saves a great deal by not having to mail them membership documents and information. It will also have less of an administrative problem if, some day, it decides to follow Abbey National and have a stockmarket flotation.

Meanwhile Nationwide Anglia's members will soon be given the chance to vote at their annual general meeting on proposals to allow the society to raise a new kind of



**NEVER SPEAK DISRESPECTFULLY OF A BUILDING SOCIETY, ALGERNON. ONLY PEOPLE WHO CAN GET INTO IT DO THAT.**

(With apologies to Oscar Wilde)

equity capital while preserving the society's mutual status.

Legally societies cannot yet issue this type of capital and there have been lengthy talks with the Building Societies Commission to get around legal difficulties. Nationwide Anglia hopes that the 1991 Budget will include proposals allowing societies to issue the new capital.

But should members of the society vote for it? They will in effect be giving up part of their ownership to a new class of owner — permanent shareholders — without being paid for it. It is true that societies these days issue subordinated debt and various other forms of borrowing to strengthen their capital base.

However, the interests of the new look-like equity shareholders (who will get a dividend from the society's profits) will be quite different from those of savers and borrowers, whose interest is not in profits but in keeping the society's interest rate margins as nar-

Sara Webb reveals the strategy behind the success of Schroder's Japanese Smaller Companies Fund

## Buy what no-one else is buying

IT'S UNUSUAL to hear a fund manager tell you that he puts his own money where his mouth is. Both Jan Kingzett and Andrew Rose, respectively director and assistant director of Schroder's Japanese management team in London, invest in the Schroder Japanese Smaller Companies Fund.

The fund ranks second over the last one-year, three-year and five-year periods, lying close behind the NM Japanese Smaller Companies Fund which was also managed by the Schroder team until April this year.

To what do they attribute the fund's success? "We don't treat the Japanese market as a casino — we treat it as a market in which one can find long-term good value not recognised by other investors," says Rose.

Kingzett adds that there is a "relative contrariness in our approach, in other words we try not to listen to what others are doing and to what the brokers are pushing because they will be selling lots of other investors the same thing. You're not going to get to the top if you use the same advice that goes to everyone."

He says their strategy is to buy what no one else is buying. Ed Merner, the manager of the smaller companies fund who is based in Tokyo, "is prepared to buy a stock and wait a year until the market comes round to his way of thinking".

The smaller companies fund has benefited in the last year from the boom in the OTC section of the Japanese market where the very small companies are listed. Schroder points out that when the Tokyo market fell in February and March this year, it was the smaller companies which proved the most resilient; "heavy selling concentrated on the large cap-

italisation dealing stocks rather than the more solidly held small companies" says their report. Since then, all sizes of company have bounced back. At one stage a third of the fund was invested in OTC shares. However, since then, the OTC exposure has been cut back significantly as Schroder believes many of the shares are overvalued now. It has switched to the small regional markets instead such as the Osaka second section.

You have to be highly stock specific when it comes to smaller companies," says Rose. "For a long time people viewed Japan as high tech. Now they

recognise that the bulk of the growth is from domestic demand, which means leisure stocks and software are exciting investment growth areas."

The fund has quite large holdings in the service, electronics, and leisure sectors, as well as such oddities as a Japanese fast food manufacturer which makes rice balls coated in seaweed.

But despite a glowing performance over one, three and five years, the fund has not always been a star. In both 1988 and 1989 it featured low down in the performance tables. Kingzett claims that 1984, 1985, and 1986 were difficult years — though for different reasons: in 1984 they were underweight in financials which performed well, and in 1985 they were underweight in large companies. In 1988 both factors played a part.

Add to that the fact that smaller companies are risky. "The sector has a jerky performance and seen from the investors' viewpoint this is quite a high-risk fund," says Kingzett. "Smaller companies in Japan fall in and out of favour very quickly."

Wouldn't it thus be wise for investors to get out now with their large profits? Of course a fund manager will never be willing to tell you to take your money out of his fund. But Rose admits: "It's going to be more difficult over the next few years to make such huge gains in smaller companies relative to the mainline fund (the Schroder Tokyo fund which is a more general fund but has the freedom to invest in smaller companies too). One of their rivals believes that if the yen strengthens significantly, interest rates will come down, benefiting the financial stocks which account for about 30 per cent of the index."

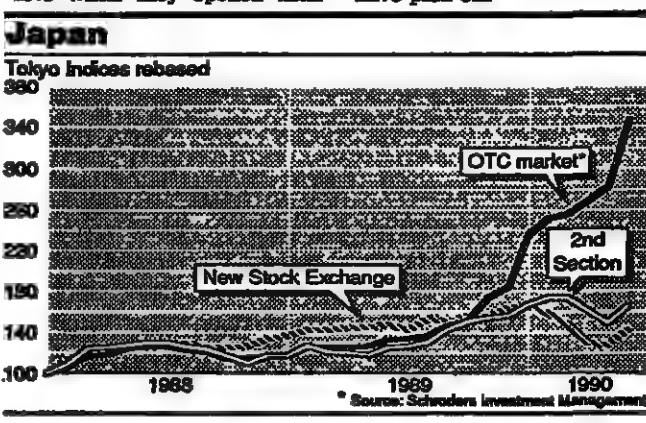
Schroder has six analysts in Tokyo under Ed Merner, a fluent Japanese speaker who has lived there for the past 20 years. Merner, who is in his late 40s, joined Schroder in 1973 when they opened their



Fund manager Ed Merner

Tokyo office. Rose, who is also a fluent Japanese speaker having studied at Kobe University, joined Schroder in 1981 in Tokyo before moving to London.

The Tokyo-based staff visit 300-400 companies a year in Japan, and make their stock selections on the basis of these visits, ignoring the share pushing tactics of the local brokers. So far, their strategy seems to have paid off.

Richard Waters looks at the Dunsdale collapse  
Investors learn a lesson

THE SIGHT of an investment firm, Dunsdale Securities, collapsing with hardly a trace left of its clients' £11m has shocked many investors. After all, wasn't the Financial Services Act meant to stop this kind of thing? Dunsdale may only have had 220 clients, but there are lessons here for all well-off people who hand over their money to others to be invested.

First, neither the regulatory regime ushered in by the Act nor the regulators who implement it are infallible. Membership of a self-regulatory body is required by law, and must be declared on all an investment firm's correspondence, hence the Fimra (Financial Intermediaries Managers and Brokers Regulatory Association) logo on Dunsdale's letters.

Yet this is not a guarantee, as some of Dunsdale's investors seemed to think. Neither is it a mark of quality. Too many investors are lulled into a false sense of security when the name of some City regulator is put before them.

Of course, investors still have a right to expect that they will be protected from financial loss, through whatever means. The Dunsdale case has raised severe doubts about both the Department of Trade and Industry (which was responsible for the firm from 1977-88) and Fimra (which has overseen it since). How could the

regulators have inspected the firm last summer and found nothing wrong? The second lesson from Dunsdale is that all regulatory systems are perfect. Investors should think harder about whom they allow to handle their money.

Is it wise, for instance, to give several hundred thousand pounds, as some Dunsdale investors did, to a firm with just one director, an office junior and a secretary? Size does not necessarily bring safety. Barlow Clowes had a string of directors and substantial operations. But by definition there are fewer internal checks and controls in a company with only one director.

Is it wise, also, to rely on external appearances? Most people are innocents when it comes to investment, yet place reliance on their own ability to judge their advisers. Several Dunsdale clients have explained how they visited the company's Park Lane offices: they were impressed by the apparent success and skills of its director, Robert Miller, as he sat in opulent surroundings, a screen displaying prices at his side. Yet it seems that few of the people to whom Miller explained his trading strategy understood what they were being told.

If it is not safe to trust your own judgment, who can you

trust? Dunsdale clients were introduced — by relatives, friends, lawyers and accountants, many of whom had invested money with the company for 15 years. New clients might think this the best recommendation an investment firm could have; Dunsdale proves this is not the case.

One thing that should put investors on the alert is when a firm offers an investment return which is markedly higher than that available elsewhere — usually claiming some unique investment skill in the process. How likely is it that a firm can really deliver such startling returns? There are investment geniuses around, but do you want to stake your life savings on the belief that you have found one? At the very least, it would be sensible not to put all your eggs into one basket.

A final thought for investors whose money is managed by someone else: how sure are you that your money is invested where it is said to be? Simply receiving a monthly statement (as Dunsdale investors did) is not proof of the underlying investments. For peace of mind it may be worth making further enquiries, perhaps through an accountant or legal adviser. Dunsdale investors would be the first to testify that you can never be too careful.

## INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

	Quoted rate %	Compounded return for taxpayers at 25% 40%	Frequency of payment	Tax (see notes)	Amount invested	Withdrawal (days)
<b>CLEARING BANK</b>						
High interest cheque	5.00	5.10	4.08	monthly	1 under 5,000	0-7
High interest cheque	9.20	9.30	7.88	monthly	1 5,000-9,999	0
High interest cheque	9.40	9.50	7.84	monthly	1 10,000-24,999	0
High interest cheque	9.60	10.00	8.00	monthly	1 25,000-49,999	0
High interest cheque	10.20	10.70	8.58	monthly	1 50,000	0
<b>BUILDING SOCIETY</b>						
Ordinary share	7.00	7.12	5.70	half-yearly	1 1-250,000	0
High interest access	9.00	9.00	7.20	yearly	1 500	0
High interest access	9.75	9.75	7.80	yearly	1 2,000	0
High interest access	10.25	10.25	8.20	yearly	1 5,000	0
High interest access	10.50	10.50	8.50	yearly	1 10,000	0
90-day	10.25	10.51	8.41	half yearly	1 500-8,999	90
90-day	11.00	11.20	9.05	half yearly	1 10,000-24,999	90
90-day	11.50	11.85	9.46	half yearly	1 25,000	90
<b>NATIONAL SAVINGS</b>						
Investment account	12.75	9.56	7.65	yearly	2 5-25,000	1 mth
Income bonds	13.50	10.12	8.10	monthly	2 2,000-25,000	3 mths
Capital bonds	12.00	9.00	7.20	yearly	2 100 mth	0
34th issue	7.50	7.50	7.50	not applic	3 20-200/month	14
Yearly plan	9.50	9.50	9.50	not applic	3 -	8
General extension	5.01	5.01	5.01	not applic	3 -	0
<b>MONEY MARKET ACCOUNT</b>						
Schroder Wagg	10.72	11.25	9.01	monthly	1 2,500	0
Provincial Bank	11.02	11.59	9.27	monthly	1 1,000	0
<b>UK GOVERNMENT STOCKS</b>						
5pc Treasury 1981	13.01	10.61	9.80	half yearly	4 -	0
5pc Treasury 1982	12.89	10.76	9.51	half yearly	4 -	0
10.25pc Exchequer 1985	11.02	9.25	7.65	half yearly	4 -	0
6.5pc Treasury 1984	12.25	9.57	8.80	half yearly	4 -	0
5pc Treasury 1982	9.89	8.07	8.58	half yearly	4 -	0
Index-linked 2pc 1982/83	11.88	11.37	11.05	half yearly	24 -	0

\*Lloyds Bank/Halifax 90-day: immediate access for balances over £5,000. Special facility for extra £10,000. Source: Phillips and Drew. 55Assumes 6.0 per cent inflation rate. 1: Paid after deduction of composite rate tax. 2: Paid gross. 3: Tax free. 4: Dividends paid after deduction of basic rate tax.

## WHY LIMIT YOUR PEP TO THE UK?

NEW!

## Worldwide growth is now tax-free.

Since Personal Equity Plans were first launched, close to one million new accounts have been opened. Investors recognise that PEPs — with their government-backed tax breaks — offer an important way to build real long-term wealth. But so far PEP benefits have been limited primarily to UK investment. Now, by investing in the new Fidelity International PEP Portfolio, you can tap into the growth potential of international stockmarkets with the power of Fidelity's worldwide expertise — and not pay a penny of tax on any profits.

**The Fidelity International PEP from the international experts.**

## WHY YOU SHOULD INVEST WITH FIDELITY

- Fidelity is part of one of the world's biggest investment management organisations, managing over £70 billion for more than 2 million investors worldwide.
- The Fidelity organisation has over 140 investment professionals covering every major market around the world. Our on-the-spot analysts and fund managers make over 14,000 company visits and contacts each year.
- Fidelity is an established leader in international investment with a proven record of success.

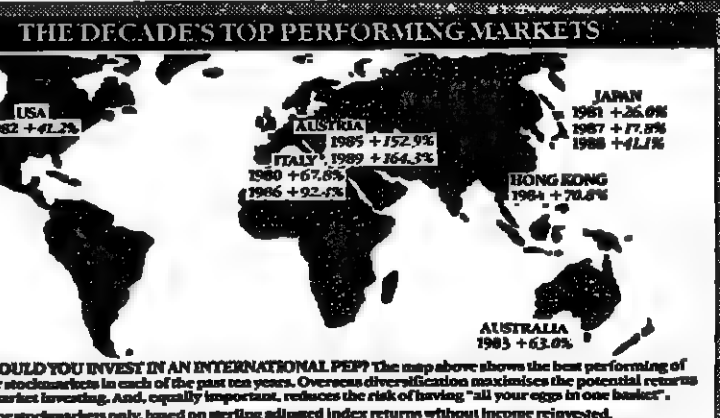
Designed in response to the recent changes in legislation, our innovative new International PEP unit trust is the first trust created specifically to offer maximum possible exposure to the growth potential of global stockmarkets — tax-free. But, more importantly, when you invest in the Fidelity International PEP Portfolio you have the reassurance you're benefiting from the foremost global investment expertise of any unit trust group in the UK.

## The Fidelity International PEP — the first choice for every investor.

If you're an established PEP investor, our new International PEP choice offers a simple and effective way to diversify your portfolio overseas. First-time PEP investor? The International Portfolio provides you with a global foundation for tax-free growth.

But, if you want to take advantage of tax-free opportunities in the UK, Fidelity offers two UK-based portfolio choices — the Fidelity Growth PEP Portfolio and Fidelity Income PEP Portfolio.


Past performance is no guarantee of future returns and the value of investments within a PEP and the income from them may go down as well as up and the investor may not get back the amount invested. The tax advantages of a PEP are those currently applicable and may be subject to future statutory change. The value of tax savings will depend upon an investor's individual circumstances. The Fidelity PEP is offered and managed by Fidelity Nominees Limited. Fidelity Nominees Limited, Member of FIMCO.



## Get the most out of your 1990/91 PEP. Act now!

The Fidelity International PEP is the tax-free investment opportunity for 1990, but to gain maximum advantage you should act now. For any of Fidelity's 1990/91 portfolios, all you need is a minimum investment of £1,500.

To receive your free guide to all Fidelity's 1990/91 PEP opportunities, including information on the Fidelity International PEP Portfolio, talk to your Independent Financial Adviser or Callfree Fidelity on 0800 414191, or complete the coupon below today.


Call your Independent Financial Adviser  Callfree Fidelity 0800 414191

To Fidelity Nominees Limited, PO Box 88, Tonbridge, Kent TN11 9DZ.

Please send me details of the Fidelity 1990/91 PEP, including the new International Portfolio.

Full Name Mr/Ms/Miss (and surname)  
Address  
Postcode

Tel No. (if you can call just to hear any questions you may have)  
Fax Code FTSM

 **Fidelity**  
INVESTMENTS







## FINANCE &amp; THE FAMILY

Expatriates: Christopher Hill on the problems of getting permission to live abroad  
**Red tape and residency wrangles**

REMEMBER ALL those black and white movies where the traveller is told by the gimlet-eyed frontier official "your papers do not appear to be in order" before being led away to an uncertain fate?

Well, perhaps a diet of Graham Greene is not a good preparation for a permanent move to Middle Europe but it is a fact that dealing with all the paperwork involved with becoming an expatriate can be an intensely frustrating experience. And it is not just a case of squaring the various tax authorities, buying a house and making a will (all minefields in themselves).

It concerns what might appear to be the more mundane chores, such as taking up residence, transporting your household effects and setting up your phone and electricity on arrival.

It has been said that the difference between Germanic and English-speaking countries is that in Germany everything that is not specifically allowed is forbidden, and in England everything that is not specifically forbidden is allowed.

Certainly, anything that is out-of-the-ordinary has a tendency to rattle officials in Switzerland and Austria. And as far as they were concerned, my wife and I were out of the ordinary.

We wanted to become resident in Switzerland in the relatively-unfashionable Canton of Thurgau and to spend part of the year in a remote part of Austria.

Dealing with Switzerland first... not the easiest place to establish residence, but we were assured that it would be a piece of cake since my wife is a Swiss national. It has proved to be a little more difficult. Basically, this is because there are far more authorities to deal with in Switzerland than would be the case in England.

"First, I filled in a lengthy form in English and German supplied by the Swiss Embassy in London. I had to turn up at the 'Einwohnerkontrolle' (inhabitant control) at the local 'Gemeinde' (town hall) which made me jump through various documentary hoops so that they could pre-



pare my case for assessment by the 'Fremdenpolizei' (literally, 'stranger police') at cantonal level.

Curiously, it is the little details which prove most troublesome. For example, at communal level, the official was most insistent on being provided with a 'good conduct' certificate from the police in one's home country. We explained that this did not exist in Britain but she found this clearly unacceptable.

"Even the Turks have it," she said triumphantly. In the end, it was solved by the British Consulate in Zurich which, for SF14 gave us a bit of paper stating that this certificate could not be provided. The fewer pieces of paper like this the happier everyone gets - the problem being that in Swit-

zerland you have to officially register every move you make. Quite a contrast from Britain, where even football identity cards create a furore about "Big Brother."

Austria was more relaxed but only because we did not wish to become resident there and had purchased a farmhouse in a place where, as they say, it is the local town hall, we don't have too many foreigners.

Even so, our purchase had to go before a number of commissions, including an 'Ausländer' Commission (foreigner commission), where it was opposed by a local farmer. This put the lawyer handling our purchase into quite a tizzy (so we were told later) although fortunately it was all eventually resolved success-

fully. But not before he had unearthed an ancient law of the Austro-Hungarian Empire stating that a Swiss citizen has equal rights with Austrian citizens where house-purchase was concerned.

The other difficulty is that in both Switzerland and Austria there is a tendency to expect you to be physically present at every stage. For example, lawyers are not happy to represent you at police stations to register your arrival and bank managers would rather that you were present at the town hall to register a new mortgage in the 'Grundbuch' (land registry book).

This even extends to moving your household goods. Getting a few sticks of furniture across the Austrian border caused such a commotion that one

would have thought it was a consignment of heroin. Although we had taken particular care to have all our papers in order (using a specialist removal firm) the Customs officials still wanted us, accompanied by an Austrian agent, there to meet the van. The reason: "to establish the physical connection between the goods and the owners."

My wife dug in her heels at this point and said there was no need for us to turn up, and all went well. But it was a heavy thing to do.

Then, when you get into your new home you have a stream of officials turning up with various forms - even chimney-sweeps. In Austria, you are forced to have your oil central heating system cleaned at ludicrously regular intervals. It was quite a surprise to be greeted at 8 am by sweeps complete with black uniforms, antique brushes - and a form to sign.

One tip for the unwary: do your best to prevent the phone being cut off before you arrive. Getting reconnected in Austria is so difficult that before long you are saying "come back British Telecom, all is forgiven."

The typical waiting period is at least three months, largely because the forms are processed centrally through the computer in Vienna. Even the man who installed the phone said he had to wait six weeks to have his own put in. We managed to do better than that but only because my wife made a pest of herself.

Finally, another problem is that there seems to be an antipathy to writing letters in both Switzerland and Austria. You send off forms and you receive other forms in return without covering explanatory letters. If you are not fluent in German officials they leave you none the wiser. And even if you are, it doesn't seem to get you very far.

Even so, I did feel a thrill of achievement when I recently got back my passport from the 'Gemeinde' with a stamp that I had officially 'arrived' in Switzerland. All I need now is a clearance for residence from the 'Fremdenpolizei'. So I'm saying no more just in case my papers might never be in order. And then on to the next hurdle: registering my car with the Swiss traffic police...

## Travel Money

## DIFFERENT EXCHANGE RATES USED BY CREDIT AND CHARGE CARDS

Currency	Market exchange rate into £	Barclays (ordinary Gold card)	American Express (ordinary Gold card)	Lloyds (ordinary Gold card)	Midland (ordinary Gold card)	NatWest (ordinary Gold card)	Visa (ordinary Gold card)
French francs	9.565	57.56	8.40	58.51	9.4928	58.19	8.5394
500							
Spanish pesetas	176.85	28.47	171.86	28.06	172.84	28.93	174.08
5,000							
US dollars	1.6785	179.05	1.84	182.95	1.8808	181.73	1.8715
100							
Hong Kong dollars	12.9913	115.46	12.77	117.48	12.9929	115.80	13.01
1,000							
Yemeni Dinar	0.7728	1294.33	0.76	1315.79		1296.24	0.7849
1,000							
Burmese kyats	10.778	18.56	10.33	19.36		18.99	10.66
200							

Visa Card (Visa Card) Converted to £ at regional center and then into sterling. Money supplied by NatWest

## Fair exchange - or robbery?

HOW COMPETITIVE are the exchange rates offered by credit or charge cards when you use them abroad? Which cards offer the best and worst rates?

As a test, Finance & the Family picked six foreign currency transactions in an assortment of both popular and obscure currencies: French francs, Spanish pesetas, US dollars, Hong Kong dollars, Yemeni dinars and Burmese kyats. We asked the various banks and charge card organizations to supply the exchange rates for conversion into sterling. The accompanying table demonstrates the wide range in rates for transactions made on Monday June 4, and shows how much you would have been billed in sterling as a result.

Barclays scored worst in this exercise. It uses its own tourist exchange rate for both the Visa and the MasterCard transactions.

Neither American Express nor Diners Club offer very competitive rates. Amex says it uses the wholesale rate (which major banks use when selling currencies to each other) and adds a 1 per cent commission to the transaction to cover the cost of the currency conversion. Diners Club also adds a 1 per cent fee after using a commercial bank selling rate.

A READER has written to Finance & the Family to complain about Eurocheques. "We have used Eurocheques on holiday for the payment of shopping bills and restaurants as well as obtaining cash without any additional payments being required. This year we paid rent of £500 for a villa in the Algarve to the owner, who is resident there, nominating the payment in Escudos. On return we were debited with a £20 charge by Lloyds and a further £10 from Lloyds International branch.

"I have been told that the payment for rental was a 'commercial transaction' and therefore liable to a charge. We could, had we known, have taken cash in Escudos to the value of £100 each day for three days prior to paying the rental. No charge would then have been made. The situation seems absurd but I hope that by publishing this fact other readers may be saved this charge."

For Lloyds to charge the equivalent of a 10 per cent commission on this scandalous transaction appears outrageous. However, if you use Eurocheques you should check

the conditions printed at the front of the cheque book. In the case of Lloyds Bank Eurocheques, it says:

"In most countries you write your Eurocheques in the local currency. Each cheque is guaranteed, when used with the Eurocheque card, up to a maximum amount specified for each country within the scheme... Should you wish to make a purchase or settle a bill for more than the guaranteed amount, simply write out two or more cheques... Cheques issued for higher amounts may incur additional charges which could be substantial."

In fact at current exchange rates, £300 is equivalent to about 75,000 escudos. Lloyds says it will only guarantee Eurocheques up to 30,000 escudos, which is why charges were imposed on this transaction. So readers who want to use Eurocheques abroad should be careful to stay within the guaranteed limits. For a larger amount simply write two or more cheques - but you still have to pay a commission and handling charge on each cheque.

reliable rate for Yemeni dinars, after converting to dollars first. These banks use a commercial selling rate but do not add a commission or fee. All three

offer MasterCard and Visa to their customers although Lloyds' Visa card is a direct debit card rather than a credit card. The exchange rate quoted in the left-hand column is the mid-point between the bank selling and buying rate as quoted in the Financial Times. On small purchases, such as some of the ones illustrated, the difference in exchange rates used by the card companies may only "lose" you a few pence. However, if you buy goods or pay for hotel and restaurant bills abroad, your credit card or charge card bill could easily mount up to several hundred pounds, and once you start building up bills equivalent to around £1,000 abroad you may find that the discrepancy between different cards amounts to as much as £20.

In all of the cases described, the bank or charge card company uses the exchange rate on the day that it receives the claim, not the day that you paid for your purchase abroad. With Midland, NatWest and Lloyds you have 25 interest-free days from the date of your statement, whereas Barclays allows up to 56 days credit. With Amex you have to pay your statement at the end of the month and thereafter the interest charge is "punitive" said a spokesman - so beware.

## IN BRIEF

LEGAL & General is launching an improved version of its guaranteed pension fund that protects investors against stock market losses.

The second issue of its Guaranteed Equity Fund 11 guarantees that from the period July 2 1990 to July 2 1991, the unit price will not fall, even if the FTSE 100 index falls, but will rise by 110 per cent of any increase. This is an improvement on the first issue which also offered protection against any fall in the market but guaranteed to provide only 95 per cent of any increase.

The offer is open to new investors owning the group's pension plans, while investors in the existing fund can move to the improved version. Closing date for the second issue is June 29; any sums received before that will be held in a cash accumulation fund.

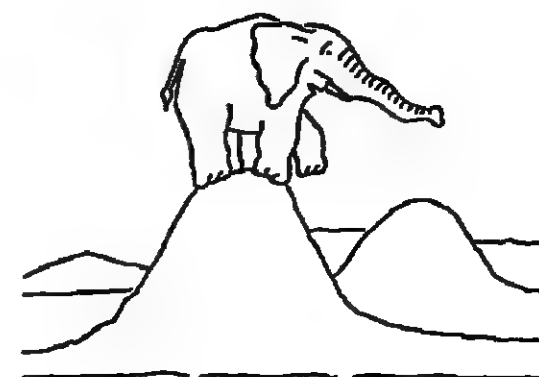
Edinburgh Fund Managers has launched a special purchase scheme to provide small investors with cheap dealing charges for three of the investment trusts it manages: Brit-

ish Investment, EFM Dragon and American Trust. You can make regular monthly investments of only £30, or choose the lump sum option with a minimum of £250, and by dealing direct with EFM pay commission of only 0.5 per cent when buying. Selling is rather more expensive, between 0.5 and 1.5 per cent plus a handling charge of £10. Investments can be made in one or all of the three funds and by using the savings

scheme, you can benefit from "pound cost averaging" (the rise of purchases varying in line with market movements). The UK's first investment trust electronic dealing service will be launched in stages from the end of July by AT&T Istel in conjunction with NatWest Stockbrokers and County NatWest Woodman.

Commissioned by the Association of Investment Trust Companies, it will make the buying and selling of investment trust shares easier for financial advisers and their clients.

## STEWART IVORY Unit Trusts



## LOOKING BEYOND THE NEXT BOOM

In March of this year Stewart Ivory were ranked 5th out of all management groups in 'What Investment's' Management Group Of The Year.

Their survey ensured that "only management groups that have maintained consistently high performance" stood a chance of being highlighted.

And that's our goal for the future. For when the next stock market boom arrives our aim is not just to make short-term profits, it is to deliver long-term consistent results. With that in mind our management team is carefully examining future growth companies around the world and seeking to deliver strong portfolios that go beyond the short-term peaks and troughs.

If you'd like to know more about our full range of world-wide unit trusts please write to us at Stewart Ivory Unit Trust Managers Ltd., 45 Charlotte Square, Edinburgh EH2 4HW. Or telephone 031-226 3271.

Please bear in mind though that the value of units may fluctuate and past performance is not necessarily a guide to their future performance.

STEWART IVORY  
We aren't big But we're careful

Member of IMRO and LAUTRO

## THE EDINBURGH INVESTMENT TRUST plc

## FINANCIAL HIGHLIGHTS

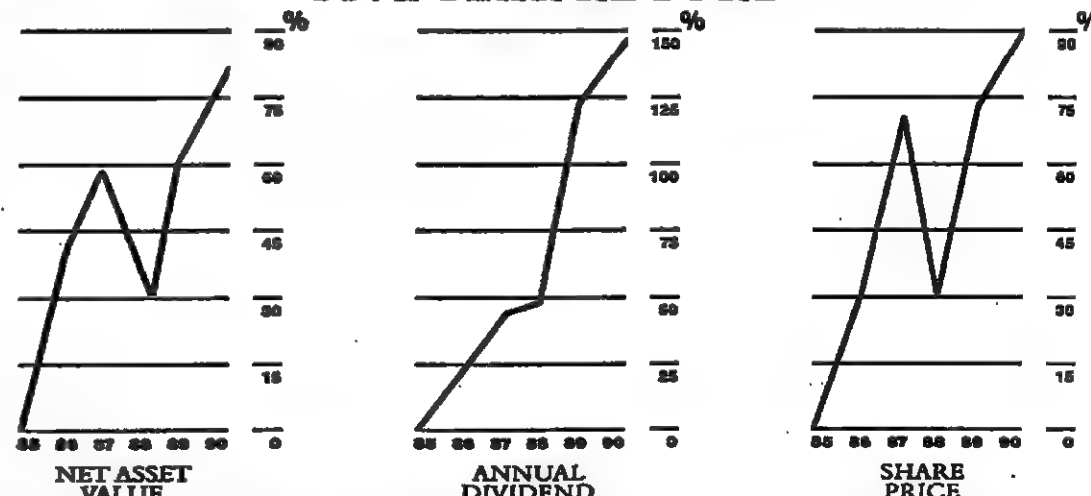
NOT FILED TO 31 MARCH 1990

NET ASSET VALUE UP 12%

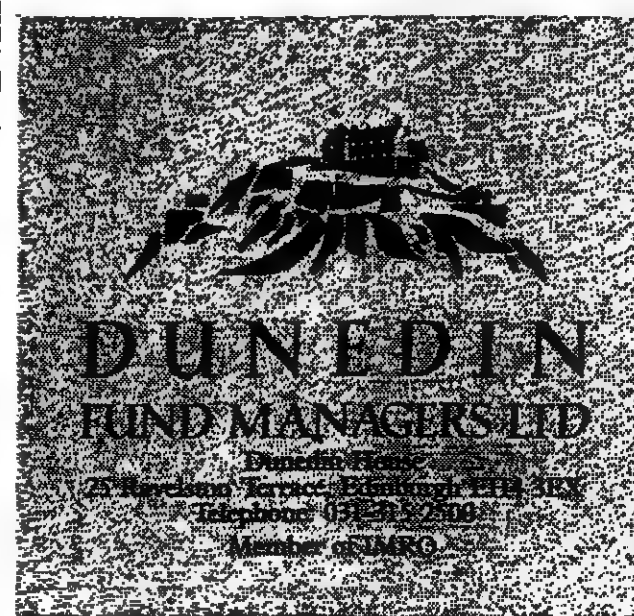
ANNUAL DIVIDEND INCREASED BY 30%

SHARE PRICE UP 14%

## FIVE YEAR RECORD



Percentage increase from 31 March 1985 - 31 March 1990



Post to: Dunedin Fund Managers Ltd, FREEPOST, Edinburgh EH4 0HR or telephone FREE on 0800 838993 (24 hours)

Please send me:

1. The Edinburgh Investment Trust Annual Report 1990 ☐
2. Details of the Dunedin Investment Trust Savings Plan. The booklet contains an application form. ☐
3. Details of the Dunedin Investment Trusts Personal Equity Plan ☐

Name \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_ Telephone \_\_\_\_\_

This advertisement is being issued by The Edinburgh Investment Trust plc and has been approved for the purposes of the Financial Services Act 1986 by Dunedin Fund Managers Limited, its Manager and Secretary. The Trust does not carry on investment business as defined in the Act so it is not subject to the Act. Its past performance is not necessarily a guide to the future and share prices can fall as well as rise. An investor may not be able to recover the amount invested. FT 10/90



# Financial Times Guides to INVESTMENT & FINANCIAL PLANNING

## New Edition

### A GUIDE TO FINANCIAL TIMES STATISTICS

Are you getting 100% out of your daily newspaper - or only 75%? The Financial Times provides the best and most comprehensive range of financial and economic data of any British newspaper. And almost 25% of FT is devoted to statistics. Designed to help you get the most out of the pink pages, A Guide to Financial Times Statistics will help both the lay reader and professional investor alike. This new edition will help you to find the figures you need, to understand how they are compiled, and how they should be read. Written by FT journalists who are experts in their fields, each chapter has been extensively updated and reorganized to reflect the FT's new approach to its statistical coverage.

Published June 1989 UK price \$12.95

### RETIRING ABROAD

by Anne Gowen & Karen McCall (3rd edition)

Are you thinking of retiring overseas? If so, this guide will give you practical advice on planning for and enjoying retirement in a foreign country. It is crisscrossed with useful information on organizing savings and investment, purchasing a property abroad, overseas removals, UK income tax, capital gains tax and inheritance tax, pension arrangements, medical treatment and healthcare, moving your will. It also details the retirement advantages and disadvantages of specific countries: Australia, Canada, Channel Islands, Cyprus, France, Gibraltar, Greece, Ireland, Isle of Man, Italy, Malta, New Zealand, Portugal, South Africa, Spain, U.S.A., Western Europe, exotic locations, and lists contacts and addresses of organizations able to give you expert advice.

Published November 1989 UK price \$14.95

### INVESTING FOR BEGINNERS

by Daniel O'Shea (4th edition)

How well informed are you? Do you know a right issue from a crap issue? Can you distinguish a merger from an acquisition? Do you know the difference between unit trusts and investment funds? Aimed at taking the investor through the complexities of the stockmarket from scratch, Investing for Beginners demystifies the basic principles of the markets in a practical and authoritative way. It examines a range of investment-related issues and has been revised to reflect radical changes in investment and taxation and their effect upon the investor. Invaluable to those new to the stockmarket as well as experts.

Published August 1988 UK price \$9.50

### FINANCIAL PLANNING FOR THE INDIVIDUAL

by Alan Kelly (3rd edition)

A vital read for all those who suspect they may not be using their tax-earned money to its maximum advantage. Brought bang up-to-date in the light of changes in pension legislation, taxation and the Cash of 87, this Guide provides you with essential information on investment planning, unit trusts and investment trusts, business expansion schemes, personal equity plans, pension arrangements, life insurance, tax planning, mortgages, plus a new chapter on the use of trusts and on extended taxation on investment timing - when best to buy and sell shares. With a self-diagnostic Personal Financial Planning Questionnaire and a Dying to Live Log, this book contains everything you need to know in order to clearly and profitably plan your finances. Published in association with the Institute of Chartered Accountants.

Published October 1989 UK price \$11.50

### INVESTOR'S GUIDE TO THE STOCKMARKET

by Gordon Cummings (5th edition)

Written for everyone who knows that they ought to look after their savings more seriously, the new and extensively revised fifth edition of Investor's Guide to the Stockmarket cuts through all the jargon. It gives a down-to-earth explanation of how the market works and how to use it for your own benefit. Whether you are new to the DFT Investment scene or are already managing your own portfolio, Investor's Guide to the Stockmarket makes essential reading. It will provide you with all the background information you must have to make the best possible use of your capital.

Published November 1988 UK price \$9.50

### FT GUIDE TO ALTERNATIVE INVESTMENTS

by Jackie Wulfschlaeger

Lovely illustrated but definitely not a coffee table book, it is 250 pages of hard information and highly practical advice on how to play the alternative investment market successfully. Not only does it discuss the merits of fine art, furniture and silver, it also introduces you to the world of books, bees, bugatlas and Bordeaux. This is a book of the intelligent investor. The investor who knows there is a difference between value and price. Judge from the copious graphs and charts how Sotheby's Art Index has performed against the RPI, FT All-Share Index and National House Prices. And benefit from a behind-the-scenes knowledge of sales room techniques, dealers' methods and how to spot a good investment.

Published April 1989 UK price \$14.50

## ORDER FORM

Please note payment must accompany order. Prices include postage and packing.

OFFICE ONLY  
47770153 ☐ Please send me copies of:  
A Guide to Financial Times Statistics (\$12.95 UK or \$14.95 overseas)  
Retiring Abroad (\$14.95 UK or \$17.95 overseas)  
Investing for Beginners (\$9.50 UK or \$12.00 overseas)  
Financial Planning for the Individual (\$11.50 UK or \$14.00 overseas)  
Investor's Guide to the Stockmarket (\$9.50 UK or \$12.00 overseas)  
FT Guide to Alternative Investments (\$14.50 UK or \$17.00 overseas)

I wish to order 2 or more copies. Please send details of bulk order discounts or telephone. I enclose my cheque for

\$4.95 made payable to FT Business Information.

Please return to: The Marketing Department, Financial Times Business Information, 7th Floor, 50-64 Broadway, London SW1H 0DB. Tel: 799 2002 (Maid order address only).

Please debit by credit card (mark choice)

☐ Amex ☐ Access ☐ Visa

Card No. \_\_\_\_\_

Expiry Date \_\_\_\_\_ Signature \_\_\_\_\_

Cardholder's Name \_\_\_\_\_

Title \_\_\_\_\_

Organisation \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_

Country \_\_\_\_\_ Phone \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Please allow 28 days for delivery. Returns are given on books returned within 7 days of receipt and in good condition. FT Business Information Ltd, Registered Office: Number One, Southwark Bridge, London SE1 1UL, Registered in England No 790296.

071-799 2274

with your charge card details

## FOCUS ON INCOME GROWTH

# SECURITIES TRUST OF SCOTLAND

## PAYS DIVIDENDS

The long-term record speaks for itself. Compound annual growth of key criteria to 31st March 1990 has been as follows:

	OVER 5 YEARS	OVER 10 YEARS
STS DIVIDEND	23.0%	16.7%
STS NET ASSET VALUE	12.7%	17.9%
STS SHARE PRICE	17.6%	20.4%
FT ALL SHARE INDEX	12.6%	15.5%

Chairman Bill Morrison states: "The success of our policy in seeking dividend growth together with increasing capital value is proved by the fact that both the dividend and net asset value have increased fivefold during the past decade."

The Annual Report for the year to 31st March 1990 is now available. If you would like a copy please complete and return the coupon below.

SECURITIES TRUST OF SCOTLAND p.l.c.

A member of the Association of Investment Trust Companies.

Martin Currie Investment Management Limited

Securities Trust of Scotland is a member of the Martin Currie Savings Plan.

If you would like further information, please tick the appropriate box on the coupon.

PLEASE COMPLETE AND RETURN THIS COUPON TO: JANE IRONSIDE, MARTIN CURRIE INVESTMENT MANAGEMENT LIMITED, 29 CHARLOTTE SQUARE, EDINBURGH EH2 4HA. TEL: 031-225 3811

PLEASE SEND ME A COPY OF THE 1990 REPORT AND ACCOUNTS FOR SECURITIES TRUST OF SCOTLAND ☐

PLEASE SEND ME DETAILS AND APPLICATION FORMS FOR THE MARTIN CURRIE SAVINGS PLAN ☐

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

FT 16/4/90

## MARTIN CURRIE

THE INDEPENDENT INVESTMENT MANAGERS

This advertisement has been issued by the Board of Securities Trust of Scotland p.l.c. and has been approved by Martin Currie Investment Management Limited ("MCI"), its managers and secretaries. MCI is a member of IMRO, Securities Trust of Scotland is not a member of one of the regulatory organisations set up under the Financial Services Act 1986 because its business does not constitute an investment business as defined therein. Past results are not necessarily a guide to the future. The price of shares can fall as well as rise, and an investor may not get back the amount invested. The income may fluctuate in money terms.

## FINANCE & THE FAMILY

# Door is shut on tax loophole

APART FROM its much-heralded direct consequences, the introduction of the community charge - or poll tax - in the UK is likely to have a nasty side-effect for a significant number of employees.

Staff who live in company accommodation enjoy one of the few remaining under-taxed perks. The abolition of the rating system may well spell the end of this fiscal giveaway.

If you are provided with a roof over your head courtesy of your employer this almost always counts as a taxable benefit.

A few narrowly-defined categories - including those who are required to live in job-related accommodation - escape the burden altogether. But leaving aside such fortunate characters as lighthouse keepers and the occupants of numbers 10 and 11 Downing Street, the vast majority of accommodated employees will pay tax for the privilege.

The liability is calculated as follows: for each year for which the accommodation is available the employee will be treated as having received an extra salary equal to the "annual value" of the property, less any rent he or she pays. The "annual value" is defined as the rent which the employer could have obtained from letting the property in the open market.

If employees really did pay tax on true rental value then the tax-saving attraction of the perk would be eliminated; an employee might just as well take an equivalent amount of

extra salary and find his own home.

In fact, the Inland Revenue's practice is to take the annual value of premises as being the gross value of those premises for rating purposes.

Although supposedly based on rents, rateable values have not been updated since 1973 and as a result the rateable value of a property rarely exceeds 1 per cent of its capital worth, compared with typical rental levels of about 10 per cent. It is this disparity which has made staff accommodation so tax-effective until now.

There are currently two sets of circumstances in which this concessionary Revenue prac-

For the time being, things are to continue much as before. In most cases, existing rateable values will continue to be used as the basis of the income tax charge.

However, this will obviously not be possible in the case of properties which are built after April 1990 and are therefore never rated. And it will not be appropriate to use existing figures if alterations to a property or a location after 1990 would have materially affected rateable values had the system still been in operation.

In both these cases the employer will be asked to estimate what the rateable value would have been had rates con-

the remaining tax privileges attached to employee benefits.

If that is the aim then the obvious blueprint will be the legislation introduced by the 1983 Finance Act, which imposes a supplementary charge where the cost - or in certain cases the market value - of the property exceeds £75,000.

The annual charge is arrived at by applying the "official" rate of interest - currently 16.5 per cent - to the excess over £75,000. (The "official" rate is the rate that the Inland Revenue uses for charging tax on subsidised employee loans.)

Suppose, for example, that an employee is given rent-free occupation of a house which costs his company £100,000 and has a rateable value of £1,000. The employee is currently taxed on the annual value of £1,000 plus a further £4,125 (16.5 per cent of £100,000 less £75,000) - a total of £5,125.

The most obvious way of dealing with the abolition of the rates would be to remove the £75,000 threshold and simply apply the official rate of interest to the full value of all company homes.

That would more than treble the taxable amount in the previous example from £5,125 to £16,500 (16.5 per cent of £100,000). Faced with an increase of that magnitude, some senior executives might contemplate jumping off their company penthouses.

David Cohen is a partner in the City law firm of Paisner & Co.

## David Cohen on how the introduction of the community charge will affect those who live in company accommodation

will not apply.

First, if the property is over-seas there will be no rateable value, so the Revenue will do its best to assess the actual rental value. Second, where the company has itself leased the property, the employee's benefit will be the rent paid by the employer irrespective of rateable value.

These exceptions apart, the central plank in the taxation of employee accommodation is the rates system. The abolition of the rates to make way for the poll tax pulls away that plank. The Inland Revenue recently issued a press release to explain how the tax rules are to be adapted to meet this.

tinued, and the Revenue will then decide whether the estimated figure is acceptable.

The Government recognises that the ad hoc use of an obsolete system can be no more than a stop-gap solution. So it has announced that "it is reviewing the long-term basis of the tax charge on living accommodation with a view to introducing in due course new rules for the future."

No hints have been given as to the nature of those new rules but it is unlikely that they will be as generous as the current arrangements. Government policy in recent years has been to encourage a shift from perks to salary, whittling away

## Offshore accounts security

I HOLD a number of interest-bearing bank accounts as well as a "call" offshore building society account. I have long been apprehensive about the security of such accounts. It seems to me to be easy for someone knowing one's account details and signature to make fraudulent transfers. Can you please tell me whether the bank is on the hook or the customer to prove the validity or otherwise of the written transfer instructions?

The problem is not so great in the case of drawings by cheque. However, in the event of a cheque book being stolen and mis-used, is the customer liable for any cheques presented, always assuming that the signature is a fair representation?

If a transfer were effected as a result of a forgery (ie someone else purporting to sign your name) or a letter directing a transfer) there would be no valid authority for the transfer and the bank or building society would have to bear the loss. This position could be altered if the forgery were made possible, or easier, by your negligence eg in enabling the wrongdoer to have access to your account details. Similarly, you are not liable on a forged cheque, but could become liable if you facilitated the wrongdoer's acquisition of your cheque book.

WHICH provisions of Magna Carta are still law/operative? Would any of them have any bearings on the legality of, or operation of the community charge, as suggested by someone in a Gloucestershire court earlier this year?

As a matter of Statute Law, very few of the provisions of Magna Carta remain unpeeled. Chapters 1, 9, 29 and 37 of the 1297 confirmation (25 Edw 1) alone survive, only two of which are substantive. C.9 confirms the liberties of the City of London and C.39 is the famous provision prohibiting arbitrary imprisonment or punishment not by the law of the land (C.39 in the 1215 Charter). It is difficult to see how the community charge provisions could be said to contravene the little that now remains of Magna Carta...

Before bringing this to the attention of the Electricity Board, could you advise me of the legal situation regarding this matter. If, as I suspect, my account has been accidentally deleted from the Electricity Board's computer, there could be some problem in determining its status.

In view of the potential amount of my outstanding charges, could I reasonably expect to be granted a period of time over which to pay these? Would the charges be subject to interest?

You can be liable for payments due for the last six years, but it may well be that the Electricity Board will be unable to establish what was exactly consumed in periods which are not comparatively recent. You cannot be required to pay interest, and may well expect to be allowed time to pay if the amount claimed is very large (though you would not be entitled to delay payment).

The answer to question 2 is yes: a distribution in specie is created as a disposal at market value, and corporation tax is payable accordingly.

Question 1 and 3 do not arise, therefore.

The answer to question 2 is yes: a distribution in specie is created as a disposal at market value, and corporation tax is payable accordingly.

Question 1 and 3 do not arise, therefore.

The answer to question 2 is yes: a distribution in specie is created as a disposal at market value, and corporation tax is payable accordingly.

Question 1 and 3 do not arise, therefore.

The answer to question 2 is yes: a distribution in specie is created as a disposal at market value, and corporation tax is payable accordingly.

Question 1 and 3 do not arise, therefore.

The answer to question 2 is yes: a distribution in specie is created as a disposal at market value, and corporation tax is payable accordingly.

Question 1 and 3 do not arise, therefore.

The answer to question 2 is yes: a distribution in specie is created as a disposal at market value, and corporation tax is payable accordingly.

Question 1 and 3 do not arise, therefore.

The answer to question 2 is yes: a distribution in specie is created as a disposal at market value, and corporation tax is payable accordingly.

Question 1 and 3 do not arise, therefore.

The answer to question 2 is yes: a distribution in specie is created as a disposal at market value, and corporation tax is payable accordingly.

Question 1 and 3 do not arise, therefore.

The answer to question 2 is yes: a distribution in specie is created as a disposal at market value, and corporation tax is payable accordingly.

Question 1 and 3 do not arise, therefore.

The answer to question 2 is yes: a distribution in specie is created as a disposal at market value, and corporation tax is payable accordingly.

Question 1 and 3 do not arise, therefore.

## Offshore accounts security

I HOLD a number of interest-bearing bank accounts as well as a "call" offshore building society account. I have long been apprehensive about the security of such accounts. It seems to me to be easy for someone knowing one's account details and signature to make fraudulent transfers. Can you please tell me whether the bank is on the hook or the customer to prove the validity or otherwise of the written transfer instructions?

The problem is not so great in the case of drawings by cheque. However, in the event of a cheque book being stolen and mis-used, is the customer liable for any cheques presented, always assuming that the signature is a fair representation?

If a transfer were effected as a result of a forgery (ie someone else purporting to sign your name) or a letter directing a transfer) there would be no valid authority for the transfer and the bank or building society would have to bear the loss. This position could be altered if the forgery were made possible, or easier, by your negligence eg in enabling the wrongdoer to have access to your account details. Similarly, you are not liable on a forged cheque, but could become liable if you facilitated the wrongdoer's acquisition of your cheque book.

WHICH provisions of Magna Carta are still law/operative? Would any of them have any bearings on the legality of, or operation of the community charge, as suggested by someone in a Gloucestershire court earlier this year?

As a matter of Statute Law, very few of the provisions of Magna Carta remain unpeeled. Chapters 1, 9, 29 and 37 of the 1297 confirmation (25 Edw 1) alone survive, only two of which are substantive. C.9 confirms the liberties of the City of London and C.39 is the famous provision prohibiting arbitrary imprisonment or punishment not by the law of the land (C.39 in the 1215 Charter). It is difficult to see how the community charge provisions could be said to contravene the little that now remains of Magna Carta...

Before bringing this to the attention of the Electricity Board, could you advise me of the legal situation regarding this matter. If, as I suspect, my account has been accidentally deleted from the Electricity Board's computer, there could be some problem in determining its status.

In view of the potential amount of my outstanding charges, could I reasonably expect to be granted a period of time over which to pay these? Would the charges be subject to interest?

You can be liable for payments due for the last six years, but it may well be that the Electricity Board will be unable to establish what was exactly consumed in periods which are not comparatively recent. You cannot be required to pay interest, and may well expect to be allowed time to pay if the amount claimed is very large (though you would not be entitled to delay payment).

The answer to question 2 is yes: a distribution in specie is created as a disposal at market value, and corporation tax is payable accordingly.

Question 1 and 3 do not arise, therefore.

The answer to question 2 is yes: a distribution in specie is created as a disposal at market value, and corporation tax is payable accordingly.

Question 1 and 3 do not arise, therefore.

The answer to question 2 is yes: a distribution in specie is created as a disposal at market value, and corporation tax is payable accordingly.

Question 1 and 3 do not arise, therefore.

The answer to question 2 is yes: a distribution in specie is created as a disposal at market value, and corporation tax is payable accordingly.

Question 1 and 3 do not arise, therefore.

The answer to question 2 is yes: a distribution in specie is created as a disposal at market value, and corporation tax is payable accordingly.

Question 1 and 3 do not arise, therefore.

The answer to question 2 is yes: a distribution in specie is created as a disposal at market value, and corporation tax is payable accordingly.

Question 1 and 3 do not arise, therefore.

The answer to question 2 is yes: a distribution in specie is created as a disposal at market value, and corporation tax is payable accordingly.

Question 1 and 3 do not arise, therefore.

The answer to question 2 is yes: a distribution in specie is created as a disposal at market value, and corporation tax is payable accordingly.

Question 1 and 3 do not arise, therefore.

The answer to question 2 is yes: a distribution in specie is created as a disposal at market value, and corporation tax is payable accordingly.

Question 1 and 3 do not arise, therefore.

The answer to question 2 is yes: a distribution in specie is created as a disposal at market value, and corporation tax is payable accordingly.

Question 1 and 3 do not arise, therefore.

## Q&A BRIEF CASE

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All enquiries should be answered by post as soon as possible.

1) The yearly interest accrued but not paid to me?

2) The capital sum and interest when received by me?

3) If I predeceased the mortgagee, would the beneficiary of my estate automatically become the beneficiary of this particular asset without it being mentioned specifically in my will?

1) Liability under case III of schedule D does not arise until the interest is actually paid.

2) You will be assessable on the interest under case III of schedule D for the year in which the interest is paid. (If the interest were paid after the sale of the house, the mortgagee might not be entitled to any tax relief - but that does not affect your tax position as mortgagee.)

3) Yes, it would form part of the residue and thus pass to the residuary legatees.

## Mortgage for a relative

I AM contemplating providing an elderly relative with a "roll up" mortgage, the capital sum and interest being returnable to me on the sale of the house on the mortgagee's death or earlier at the mortgagee's wishes, or if the indebtedness amounts to 70 per cent of the property's value.

What would be my tax position regarding:

1) The yearly interest accrued but not paid to me?

2) The capital sum and interest when received by me?

3) If I predeceased the mortgagee, would the beneficiary of my estate automatically become the beneficiary of this particular asset without it being mentioned specifically in my will?

1) Liability under case III of schedule D does not arise until the interest is actually paid.

2) You will be assessable on the interest under case III of schedule D for the year in which the interest is paid. (If the interest were paid after the sale of the house, the mortgagee might not be entitled to any tax relief - but that does not affect your tax position as mortgagee.)

3) Yes, it would form part of the residue and thus pass to the residuary legatees.

## Quilter Goodison Company Limited

Member of The Securities Association and The International Stock Exchange

### Private Investors

GQC has been serving Private Investors for over 100 years, and with the backing given by its parent company, Commercial Union Assurance Company plc, it intends to extend such continuity of service for at least another century.

If you are a professional intermediary, and are interested in such long term relationships, please contact:

D E G Roberts, Managing Director,  
20th floor, St Helen's, 1 Undershaft, London EC3A 8BB

Tel: 071-400 4177



A Member of Commercial Union Assurance Group of Companies







## PERSPECTIVES

## Britain's last frontier yields its secrets

Rob Palmer goes diving, 300 feet beneath Cheddar Gorge in Somerset, to search for a legendary 'lost cave'

"... Cheder Hole, where is a cavity under the earth, which, though many have often entered and there traversed great spaces of land and rivers, they could never yet come to the end."

Henry of Huntingdon, 12th century.

IS THERE a great "lost cave" beneath Cheddar Gorge in Somerset? Henry of Huntingdon, in a 12th-century list of the wonders of England, would have us believe so. The cave he wrote of was reputedly so big that wagons and horses could be stabled therein.

There are many caves in Cheddar Gorge. Several of the largest are even open to the public, though none fits Henry's description.

Last century a local man, Richard Gough, dug through earth and rubble at the end of the entrance chamber to reveal the present show cave. No underground river was found, though there were flooded shafts aplenty. "Gough's Cave" was rejected as a candidate for the legendary "lost cave."

Floods rushing down the gorge, reservoirs, roads and houses constructed around the risings of the river - all these have helped raise the resurgence level of the River Yeo at the foot of the Gorge. Passages that medieval man might once have walked could well be sealed and flooded.

Between the points at which tributary streams sink underground and the resurgence at Cheddar lies a vast, unexplored

cave system. That isn't medieval myth, but geological fact. Cave divers have been interested in the Cheddar Risings for years. To most, this activity seems almost incomprehensible. The voluntary immersion of self into underwater caves, often constricted and utterly dark, is the claustrophobe's ultimate nightmare. It is, however, one of the last remaining mediums for real discovery.

The earliest dives, in the 1960s and 60s, were made in the grimly-named "Skeleton Pit" - a deep, water-filled shaft named after a 10,000-year-old male skeleton, found when the cave was first dug out. Underwater, the shaft was choked with rubble - no way on there.

It fell to chartered accountant and cave diver Richard Stevenson to discover the missing river cave. Caught in his cups at the nearby Hunter's Lodge one night in 1985, he found himself agreeing to examine a horribly constricted, water-filled tunnel in a side passage to the main cave. Wriggling backwards in zero visibility, he dropped 25 feet down the cork-screwing tube to emerge in clear, flowing water in a large submerged passage. The Cheddar River Cave had at last been found.

Richard was joined by diver Rob Harper and myself for a series of dives through the cave which took us far up the underwater passage to an air-filled lake chamber. Beyond this, the river plunged below rock again for a further 500



Sheppard's Crook, the final air chamber in Gough's Cave and overnight camp for the last dive

feet before coming up in the massive boulder-strewn cavern of "Bishop's Palace", as large as the aisle of Wells Cathedral. Scrambling across the boulders we reached a set of blue pools - the "Duck Ponds" - from which the river flowed.

It had taken more than 1000 feet of underground diving to get there, through passages that could, if the river risings had been raised by only 25 feet, have once been air-filled.

Was another entrance to these passages perhaps now

covered by cement, or sand, or boulders? If so, then this could indeed have been Henry's "lost cave." If not, perhaps it still awaits discovery.

The Duck Ponds held their own secrets. Beyond, the cave plunged deeper; down to a

gravel-floored squeeze 100 feet underwater. Wriggling through this, and swimming on, we surfaced in a small cavern, "Sheppard's Crook", through which the cascading river roared. At the end, another deep, underwater shaft; another dive. Fur-

ther dives showed the final shaft to be 190 feet deep - taking the cave more than 100 feet below sea level. Beyond the deepest point, the passage slowly rose up a gently inclining tunnel. In 1988, the "end" was 600 feet into this final underwater passage.

In May 1990, headed by dive coordinator Mike Hearne, a team of more than 30 divers and sherpas hauled half a ton of equipment through the passages to Sheppard's Crook.

Publicity surrounding this latest dive was an extra strain on the lead divers, Richard Stevenson and myself, placing an onus on us to perform well. If we didn't break air surface at the end of the dive, it meant 2½ hours of continuous diving on the line in the freezing waters just below the surface back at Sheppard's Crook.

Ten hours after entering the cave, Richard and I entered the final flooded passage, each carrying four air cylinders.

We reached the base of the shaft safely, but as Richard paused to change to his second cylinder, air gushed around him. It was a moment of crisis. He rapidly changed back again, but with one full tank of air gone, he had not enough to reach the end of the line. He had no choice but to retreat to Sheppard's Crook.

I was left to continue alone. Reaching the end of the existing guideline I dug the line-reel from its two-year covering of silt and set off into unexplored territory.

Three hundred feet above me, tourists walked down the Gorge in the sunshine. Beneath their feet, one of the last bits of unexplored Britain was yielding up its secrets.

The underwater cave was massive. In mid-passage, 10 feet from either wall, I swam over a floor of sand and boulders, with stratified mud cliffs on either side.

Finally, 1,000 feet into the passage, what we had been dreading happened. I discovered the roof of the cave had fallen in.

A massive boulder pile, running the full width of the cave, blocked the way on. The river flowed from it, through muddy holes too small to penetrate. A brief search, with the limited air reserves remaining, found no other way on, and, with a heavy heart, I turned for the downhill swim to Sheppard's Crook and my long, cold, solitary spell of decompression.

Richard and I camped overnight in Sheppard's Crook, and an early start the next morning saw us emerge into the Sunday sunshine to a late breakfast and an early pluit.

Was it worthwhile? Despite the disappointment of not finding more dry caverns, a major advance was made and the dive, one of the most complex made in Britain, was undertaken safely.

A Canadian, George Benjamin, when asked what made a successful dive, once said: "First I count my divers. If they are all back safely, it is a successful dive." Perhaps that matters most of all.

## Archaeology

## A home from home in mud, rock and seaweed

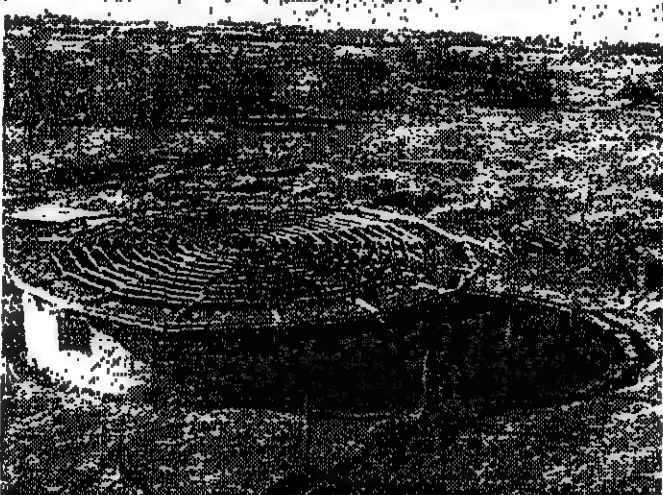
MUD IS a glorious material to build with, says Paul Croft, an archaeologist who last year built a house in Cyprus which follows closely the plans of Cypriot houses of 5,000 years ago. The houses are cool in summer, warm in winter and you quarry the mud right on the spot.

Croft's reconstruction at Lemba, outside Pafos, of an ancient round house built of mud is an experiment by Edinburgh University's Lemba Archaeological Project whose digs, led by Edgar Peltenburg since 1976, have brought Chalcolithic (copper-stone) Cyprus to life. This period, in the 4th and 3rd millennia BC marked the transition from the stone-tools-only Neolithic to the period when the island was starting to make use of its abundant copper supply.

The Edinburgh team has dug three Chalcolithic villages of mostly round houses. They have had good finds, notably stylised stone figurines of women with arms at right angles making a cross. Small ones can be worn on a necklace, and must have been valuable amulets that helped childbirth and the continuity of the family. The early Cypriots thought them so important that the larger female figures actually show these pendants - miniatures of themselves - hanging on necklaces.

Peltenburg's best find is a bowl that is a model of a round building complete with a central hearth, platform and painted walls. In it were a conch shell and figurines which had been broken or disfigured as if set them apart. One is a woman giving birth. Does that mean we should interpret the building as a shrine? Or was it meant to be a birthing house, which would make it the world's oldest obstetric unit? We do not know, but a birthing house at that time might also have been a holy place. What is certain is that its architecture is that of the houses the team digs up full size.

The full size Chalcolithic round house, Croft has made in the late 20th century has an outside diameter of 10m and walls 70cm thick. It provides comfortable room for 40 people, and could easily hold 40 more. In the centre is the platform for the hearth, and above it a lantern raised in the roof to allow smoke to escape and light to enter. Around the



Paul Croft's round house: based on a 5,000-year-old design

beath four posts have been set in a square to support the roof beams, which rest also on the thick mud outer wall.

Getting the mud was easy and economical. There was masses of it on site where the house floor would go. Once Croft had dug the foundation trench for the wall, he could begin to remove the earth inside the circle and make a flat surface for the floor, partly from the adjacent archaeological dig. That was enough mud. What to mix with it was more of a problem. He asked villagers who remembered how houses were built in the days before concrete, what they would do. They had the answer: seaweed.

Croft brought it up from the sea, puddled it in with the soil and started to build his thick mud wall on a foundation of stones collected from the fields around. He did not shape the mud into bricks but applied it in wadges as dry as possible but with enough moisture for it to stick. As soon as one bit dried he applied the next wodge.

He finished the wall with a skim of mud plaster which stops insects getting in. There is one door, that swings on an ancient pivot stone found in the dig, and a window.

For the roof he has followed a traditional village scheme, adapting it to a round building. Sixteen pine beams fastened by pegs of olive wood radiate as spokes from around the central hearth. In these spokes he cut

notches for 258 pine cross beams. Then he covered this frame with myrtle branches and seaweed.

On top of the myrtle went 16 tonnes of white sticky clay. The roof is set with stones round the eaves which project them to stop rain running off into the wall which would break it up. The clay is a marvellous insulator but it does need rolling after a storm to keep a compact surface and prevent water getting through. That is when Croft also checks the walls for cracks. And sometimes he has to weed the roof.

The job took Croft and his helpers only 140 man-days, but that does not include plastering the earth floor or painting the brilliant orange colour on the model birth house/shrine. He thinks a more realistic estimate is about 300 man-days - or a small extended family working for a month to make a new house before one of them married.

The Lemba round house has given Paul Croft immense respect for the skills and natural efficiency of the Cypriots of 5000 years ago. His next job is to paint the walls and monitor how well the house survives. All this gives direct insight into the Chalcolithic way of life. The house is already becoming an attraction for visitors (ask for directions in Lemba village) and several Cypriots have been so impressed they have asked Croft to build them houses just like it.

Gerald Cadogan

FANATICS ON the fringe can spell death for any cause, which is why animal rights campaigners have been in considerable distress this week following two car bomb attacks on animal scientists, one of which wounded a baby in a pushchair.

The appearance of a particularly ugly form of terrorism when everyone thought the militants of the Animal Liberation Front were safely behind bars, has led some people to doubt that animal-lovers are involved.

Campaigners in Bristol, where the second bomb exploded, are even suggesting that the bombings were an attempt to discredit the movement. Robin Askew, a former activist and now a freelance journalist in the city, admitted this was "the paranoid conspiracy theory," but added that it was "not beyond the realm of suspicion."

The outsider theory appeals to peaceful protesters because it helps them explain a number of puzzles, including the sophistication of the devices and the failure of the police, after 18 months, to catch the perpetrators of the explosion at Bristol University's animal house despite interviewing all known animal rights sympathisers. (Askew himself was among those held for questioning.)

It also helps them explain the illogicality of such outrages at a time when the movement is looking more effective than at any time since the days of the Victorian animal welfare reformers like Henry Salt or

## A bloodstained crusade

Christian Tyler on the animal rights movement

"Humanity Dick" Martin. Large sections of industry have been thrown on the defensive by ideas that would once have been considered the dreams of crackpots and cranks. Some cosmetics companies have given up testing their products on animals. The retail fur trade has been hunted almost to extinction. Factory farmers and animal feed manufacturers are under ever greater pressure following the health scares about salmonella in eggs and now "mad cow disease."

The supermarkets are flaunting organic food. In some schools animal dissection has been removed from the biology syllabus. Vegetarianism formerly seen as faddist, is becoming commonplace: quite young children are giving their parents anxieties by refusing to eat meat.

Mark Gold, director of Animal Aid, a leading lobby on the legitimate work of the movement, claims that animal rights is "the coming issue" and the rise of vegetarianism "one of the most profound changes in society today." He explains this large claim by saying that today's children are the first generation to be confronted with the moral and scientific arguments and the first to make the connection between flesh-eating and their instinctive love of animals.

There is nothing fanatical about Gold: nor does he look like a crank. He runs Animal Aid from a warren of first-floor rooms, jumbled with leaflets, files and boxes, just off the High Street in the respectable dormitory town of Tonbridge in Kent. Animal Aid was founded by a local school-teacher under the influence of a book that appeared in 1977, "Animal Liberation" by an Australian philosopher Prof. Peter Singer. It has 14,500 members, "from doctors to dentists."

Gold's account of the animal rights philosophy has a compelling consistency about it, even if some of its moral prescriptions seem impossibly idealistic.

The argument is that you should go through life causing as little damage and interference as you can, whether you are dealing with a human being, a monkey, a rabbit or a limpet on the seashore. Life is sacred: that is why terrorism is evil and cowardly, whatever the cause," he said this week.

It's not sentimentality, it's logic. If you put the question "what is it that animals lack that justifies eating them or torturing them?" then people start to realise that their abuse is not justified any more."

The traditional answer to that question, dating back long before Descartes' dualism, is

that man has an immortal soul and animals do not. It, thanks to Charles Darwin and modern experimental psychologists, man has given up his claim to possess a soul then he has lost his special status: that would help explain the modern appeal of the animal rights movement.

For the moral case advanced by lobbyists like Gold is based on what they see as scientific evidence. He said: "Science has taught us that the similarities between animals and humans is greater than the differences. Therefore the moral basis for our exploitation of animals is taken away: it becomes as indefensible as negro slavery or sending children down the mines." Farming, for him, is like sentencing animals to life imprisonment followed by execution.

Gold argues that you only have to observe the behaviour of higher animals (he thinks studying animals' brains without their consent is immoral) to see that they have the same sort of attributes as humans - such as motherly love and enjoyment of play.

Some computer scientists explain the enormous superiority of man's intellect over that of apes - even though his brain is not much bigger - as a simple geometrical proposition. Because of the multiplying cross-connections between

individual brain cells, every 1,000 additional cells means a vast increase in processing power.

But even the lower orders have a right to life, says the animal rights campaigners. For example, said Gold, a farmer should not kill pests - unless there was no other way of keeping them off the crops upon which his own life depended. In an ideal world, people would not keep pets unless the animal were already domesticated and there would certainly be no zoos or circuses. If people keep dogs for companionship, they should feed them vegetarian pet food.

An Oxford University zoologist who studies chickens' preferences has said that the study of animal behaviour reveals their "demands" and hence their feelings of deprivation and suffering.

Dr Marian Stamp Dawkins argues that we must take the animals' point of view into account: the fact that they do not speak our language or write letters to the newspapers is no excuse. Their feelings must be inferred from their behaviour, just as humans infer each other's feelings.

She quotes Albert Schweitzer: "A man is truly ethical only when he obeys the compulsion to help all life which he is able to assist."

The distance between Albert Schweitzer and the car-bombers could hardly be greater. As the animal rights lobby was reflecting this week, the mind of some humans is harder to understand than any animal's.

## Genius of the Place

## Every duke has his day

THE BAD poetry of good poets is a curious and surprisingly sizeable collection: and one old gem of that collection is Tennyson's *Ode on the Death of the Duke of Wellington*. It was published on the morning of the Duke's funeral.

"Where shall we lay the man whom we deplore?" asks the Laureate. "Here, in streaming London's central roar," is the painful reply.

Tennyson did honour to closer friends or more chronologically remote heroes: the Duke is served badly by that *Ode*. Nor, I think, is the Duke served any better by Richard Westmacott's bronze colossus in Hyde Park - the Achilles cast from captured cannons and dedicated to Wellington by the women of Britain.

The Duke was a gentleman, and knew damn well that gentlemen do not remove their

shirts in Hyde Park, let alone their trousers. But I like to imagine that the Duke has enjoyed his presidency over 55 notes. His aquiline countenance and folded arms have seemed to epitomise the safekeeping of the very Bank of England.

There he has been honoured since 1971, and the news that he is to be stripped of even this honour is a compliment. British engineer George Stephenson will appear on the new fivers - has prompted me to pay a visit to Apsley House, the Wellington Museum.

Apsley House, administered by the Victoria & Albert Museum, has an easy address. Number One, London: as simple as that. It stands off Hyde Park Corner and it is filled, predictably, with trophies of the Indian and Peninsular campaigns, gentlemanly perquisites, decanters and paintings.

Goya and Velasquez are worth seeing at Apsley House; but the prize object is not a picture - it is the oversize nude statue of Napoleon which stands in the stairwell. It was carved by Canova, and is no doubt cherished by the V & A. Canova's Three Graces may well mince their bottoms across the Atlantic, but were Canova's nude Napoleon lost to the nation, it would be a proper disaster.

This statue is a monument to pomposity and appalling taste. What Canova did to the Emperor is far worse than what Tennyson and Westmacott did to the Duke; we need this statue to remind ourselves what a service Wellington did us by worshipping this absurd depot.

Upstairs at Apsley House

gives us the image on our banknote, the portrait done by Sir Thomas Lawrence in 1815. But the exterior of the house tells another story. Tennyson, when saluting Wellington as the "Iron Duke", should have known the ambiguity of the Duke's ferocious epithet: whether it referred to his hard captaincy, or the iron bars that had to be fitted to Apsley House in order to keep vulgar assassins at bay.

The same crowd that swelled for an enormous funeral in 1852 had once tried to lynch him. The Duke - an aristocrat in the truest sense of the word - would have understood that. Commoners are with you one day, against you the next; they cannot know what is best for them; therefore they need to be led by someone whose vision is fixed, whose constitution is iron, and whose politics are Tory.

His failure, of course, was that he had no failures. He died at Waterloo he might have received a more trenchant poetic commemoration. Many native visitors to Apsley House may find it a nauseating record of success: we see there none of Goya's horrors of war, only the pomp of victory, or the trivial pride of accolades. It is much easier to cry: "O Captain! My Captain!" when your captain lies dead on the deck. So we commoners go our way. One year we grade our fivers with the Duke; the next, someone else is in vogue.

■ The Wellington Museum, Apsley House, is open Tuesday-Sunday, 11am - 5pm. Tel: 071-499-5676 for information on guided tours.

Nigel Spivey

## ST. JOSEPH'S HOSPICE

MARE ST. LONDON E8 4SA (Charity Ref. No. 251323)

"Your care is what makes me feel safe and secure in your hands. It is when you show me I am special among a hundred others who are also special. It is when you rise above thinking of me as dying and so help me to live" - words from one patient quoted here in thanksgiving to you for your very kind support.

Sister Superior

IMAGINE it is your big celebration dinner at Claridge's. As the champagne courses through your bloodstream, you cast a speculative eye at one of the waitresses. To your horror the lights suddenly dim and, to the accompaniment of muffled tittering, the waitress walks provocatively towards you. "... Oh my God, it's a Strippergram!"

Your life flashes before you, as you try to avoid your wife's acid stare. But suddenly you find the waitress is singing, not stripping: she has turned into Despinia, Mozart's true heroine of *Così fan Tutte*, performing that aria you especially liked from Act II.

## Lasagne Verdi for supper

Congratulations: you've been struck by an Operagram. Operagrams are the latest craze for embarrassing your friends and colleagues. They come from the same family as Tarzan o-grams, Fat o-grams and the like, but they are considerably more sophisticated, professional and painful.

They are the invention of Manga Leigh, a musicians agent, and the idea came from a birthday party for her son. "I hired a tenor to sing from Wagner for him and it was so successful that I thought: 'Why

don't I do this for a living?'" She teamed up with John Strange, a tenor currently rehearsing in the chorus of *William Tell* at Covent Garden, and four months ago set up the first Operagram agency.

For a fee of roughly £120 (depending on the travel and "extras" involved), which includes one singer and an accompanying musician, Operagram will perform anything from Gilbert & Sullivan to Wagner. The price is comparable with that of the most expensive seats at the Royal Opera House but it does

bring a slice of opera to your own own living room.

They can perform in costume on request or compose a ditty to accompany the music. At a party for the interior decorators Paint Misbehavin John Strange, doubling up as chief ditty-writer, put words to the music of *Aïni Misbehavin*.

All the singers have sung at the major opera houses, either individually or with the chorus. They are on Operagram's books to keep the cash flow going. So, although you may not hear

a Pavarotti, the singing is passable and professional. Clients so far have included a group of old Etonians on a stag night, radio personality Derek Jameson, the Countess of Hillsborough and LBC's Barry Burroughs.

Whether an Operagram beats a ticket to the opera as a gift idea is not clear but, after my one brief encounter - mortifyingly, over dinner - with a male strippergram, I'd say give me an operagram any day.

(Operagram, 11 Radnor Mews London W2. 071-402-3167/8).

Melanie Cable-Alexander

Just in time



## HOW TO SPEND IT

Lucia van der Post reports on the new craze for perfect parkas and peers into cupboards that open up a new angle in design

## Clothes for good sports

ONE OF THE strongest themes this summer is that day and evening wear, smart "event" clothes and street clothes have all borrowed from the comfort, shape and ease of sportswear. Whether a grand and exclusive couturier or a designer catering for the masses, hooded parkas, bomber jackets and anorak shapes combined with drawstring trousers and easy shorts and skirts are everywhere.

Taking an informal, sporty shape or style and turning into something luxurious and exclusive by using fine fabrics and handmade detailing is not new - cashmere jumpsuits, leggings, knickerbockers and anoraks in silk, duffelcoats in finest wool, vests with sequins, all are now a regular part of many designers' vocabulary.

This season there is scarcely a designer who hasn't got a hooded shirt, dress or parka in his range. Browns of South Molton Street, London W1, stocks a particularly beguiling selection. Jean-Paul Gaultier's funkier black, brown and navy hooded jackets in silk and linen mixes come either with sleeves at \$205 a time, or as waistcoats at \$335. Katharine Hamnett has an olive-coloured parka at \$360. Donna Karan a red jacket rather like an anorak at \$255 and Rifat Ozbek has the slinkiest of them all with an 80 per cent nylon/20 per cent rubber fitted dress with a hood at \$435.

If you don't fancy those sort of prices then most of the chains that are the mainstay of the middle-income fashionable dresser offer versions of their own. All 14 branches of Jigsaw have hooded shirts in silk with matching shorts, trousers and skirts, but probably the best draw of all is their wonderful padded silk parka - in white, black, brown, orange and (if you are lucky and you can find one, so quickly have they been selling) a marvellous flame red. The shirts, in 100 per cent silk, are \$45, the padded parkas at \$110 are warm enough to provide a fashionable cover-up at many outdoor events.

You should also look out for Warehouse, which is bringing out a collection of sporty-looking items all in washed silk. Included in the range is a warm, padded, slipped and hooded silk parka. In the meantime Warehouse has any number of hooded T-shirts and jackets, shirts and blouses.

Whistles has a linen collection in wonderful colours (in particular a dapper icy blue) in its nine branches. There is also a group of silk separates dyed in identical colours that mix well with it - shorts, shirts, trousers and skirts.

If you're wondering how you wear them the answer is that it doesn't really matter. The young girls round town put



Left: Capacious icy-blue linen parka, half lined, with buttons and drawstring cuffs and hem, part of a collection of separates, £159 from Whistles branches, including 12/14 St. Christopher's Place, London W1 and 15 Princes Square, Glasgow.  
Below: 'Silly' polyester hooded shirt, in ivory only, £34.95 from all 34 branches of Warehouse.  
Right: Warm hooded sweatshirt with zip front, in white, red or purple, £27.95 from all 14 Jigsaw branches. Phone 061-878-8443 for information on your nearest branch.

them on over vest tops or skimpy stretch tops and team them with shorts or track-suit shaped trousers, in which case they often look slightly funky and very up-to-the minute. Those who are older tend to wear them as jackets over shirts or dresses - the padded silk parkas are ideal for this. Sketched here are just three of the versions currently around.

LIKE THE British army, computers are run under two distinct chains of command which are supposed to march in perfect step, but which can spread fatal confusion among the unwary.

The programmes most people associate with their computers, costing perhaps £200 to £300 - or illegally copied from a friend, of which more later - are the office class. These are the word processing, spreadsheet or database packages in shiny boxes with fat manuals. They could not perform their duty without the unobtrusive service of a lower order of programmes, which organise the fetching and carrying of data, the management of memories and discs. They are, in short, the sergeants and corporals of the computing world which impose discipline on the machine's data flow and keep it in a constant state of alertness to carry out the next instruction.

Programmes exercising higher command are called "applications programmes," the other ranks routines are called the "operating system." Fortunately most users don't need to know how these NOC programmes carry out their tasks, but like any good commanding officer, a user must at least know how to deal with them, and have a passing

## Attention you 'orrible computer users

Max Wilkinson puts new PC recruits through a spot of drill



acquaintance with their peculiar language. A CO who asked the corporal to "pop into my office when you have a two" would risk grave misunderstanding. So also the master of a new personal computer must address the operating system strictly in form; and time spent learning a few snappy commands will avoid endless confusion later on.

The IBM-compatible personal computer chosen by a first time buyer will often be supplied with a version of the operating system, DOS (Disk

Operating System). This will be loaded into the machine's main memory (automatically in systems with an internal fixed disc) as soon as the machine is switched on. DOS will at once make a record of the machine's memory, and other functions, report that all is present and correct and then carry out any routine tasks that the user leaves for it in a file called AUTOEXEC.BAT. DOS then stands to attention presenting an inscrutable face of "A" printed on the screen, or a similar letter. This signifies that the machine is ready to fetch any programme or file from the disc named A and run it.

A new user really must now invest some time learning the simple DOS commands for copying a file (COPY), displaying a directory of files (DIR), shifting to another disc (just type the disc's name, eg B followed by a colon) and half a dozen other square-bashing routines.

It is folly to neglect this basic drill, even though many computer shops will try to sell self programmes such as Norton Commander or Windows which can, like a warrant officer, translate the harshness of the lower ranking programmes into more a civilised and easily understood parlance. These are good programmes, which can make a computer pleasanter to use. However a user who is frightened of DOS will never be at ease with the machine.

The next question is which applications programmes to buy, starting, as most people do, with a word processor. In some cases, like the Amstrad

## File under frivolity

CUPBOARDS, IN my experience, are not usually jaunty pieces of furniture. Sometimes beautiful (in which case they come very expensive indeed), sometimes pompous, often boring, often ugly... but jaunty? No, not often. As for filing cabinets, Ryman and Sir Terence Conran between them made valiant attempts to jolly them up, painting them in varying colours from eye-boggling shocking pink to chic, discreet grey - still they looked indubitably like good, solid, sensible filing cabinets.

The answer for those who have given up hope of finding ready-made cupboards or containers that are both visually appealing and do the job might be to turn their minds to commissioning something special. Howdle bespoke furniture makers is one of the growing number of companies that might be worth looking at. Started by Clive Howdle in 1983, the team of designers and craftsmen has tackled anything from small one-off pieces like filing cabinets and garden seats to complete ranges of office furniture and kitchen and bathroom fittings.

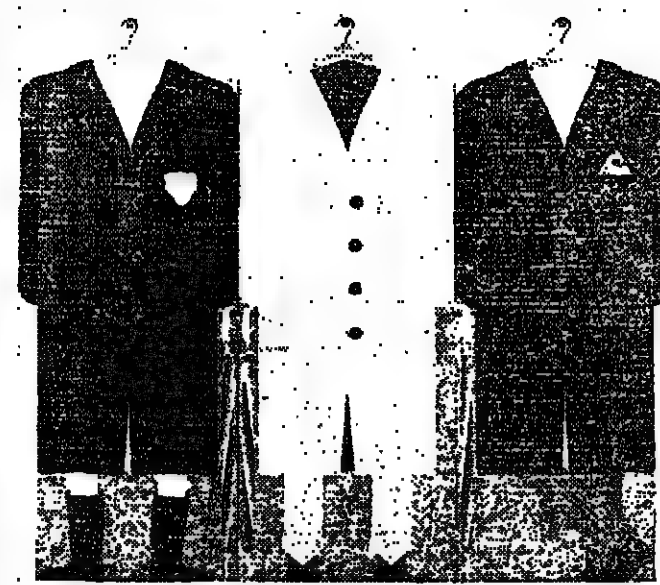
Pictured here below is... you would hardly credit it... a filing cabinet, inspired by Spanish beach huts, it is just 3 ft high and is painted in combinations of blue and white (for the stripes), with touches of red. It is a filing cabinet that not only does the job but brings a touch of fun to the home or office. To commission something similar would cost about \$1,500.

For the same clients - a Docklands-based firm of chartered accountants - Howdle designed and built a filing cabinet which fitted in the space under a flight of stairs. This time it was inspired by sailing ships that the client had seen on a Greek holiday. At the top is sun and sky, with white sail and ship's railing below, and lower still a fine rim of blue suggests the sea. Something similar would cost about \$4,000.

Howdle has a shop at 9, Marylebone High Street, London W1 (tel. 071-224-6453) where quite a few of their pieces can be seen and through which commission can be placed.

Andrew Varah is another designer who believes that a little humour need not be amiss. Being a designer who believes in giving his clients what they are looking for, he has, of course, designed plenty of serious furniture and has a list of impressive clients.

To give you some idea, however, of the charm of fine workmanship allied to a little

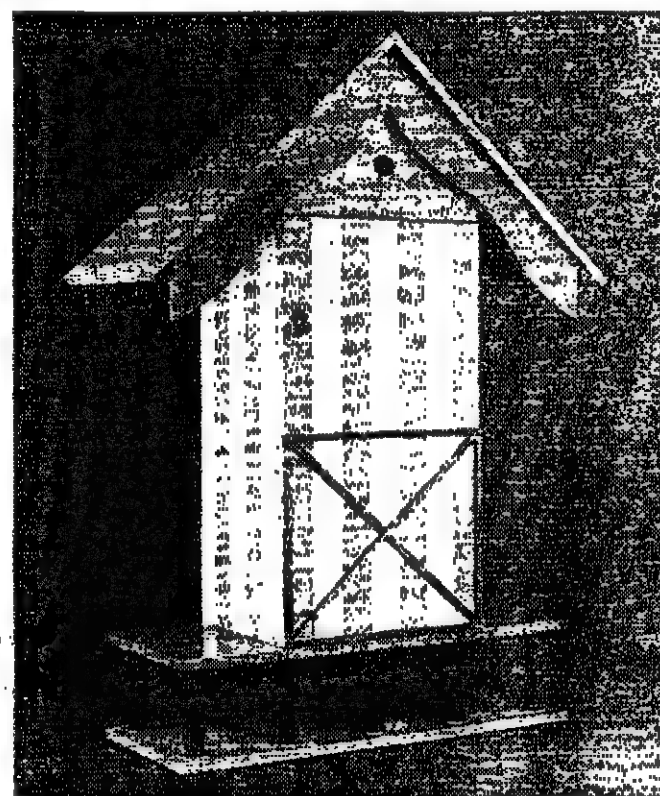


Andrew Varah's Umbrella Men Wardrobe

humour here (above) is his Umbrella Men Wardrobe - 6 ft high, 7 ft wide and 1 ft 6 in deep, it is a finely-made example of what can be done by using the old technique of marquetry in a thoroughly modern way. Andrew Varah has used Ripple Satinwood, Rio Rosewood, American Black Burr Walnut, Oak, Walnut and Cherry to produce this very distinctive wardrobe. He has in mind to produce a whole range of other specialist wardrobes

and cupboards - a sportsman's cupboard or a gun cabinet, perhaps?

Prices are around £5,000, exclusive of VAT. If you feel furniture should be serious, Andrew Varah can do that, too - anything from a seriously sober dining-room table to a walnut coffee table. You can contact Andrew Varah at Distinctive Designs, Woolcott Manor, Near Rugby, Warwickshire CV23 8DB Tel: 0783-523069.



A Howdle cabinet inspired by Spanish beach huts

**CORNWELL PARKER**  
fabrics • furniture

BRANDS OF STYLE AND STRENGTH

G.P. & J. BAKER

FABRICS & WALLPAPERS

Parker Knoll

FURNITURE

LOCK of LONDON

REPRODUCTION FURNITURE

MONKWELL

FABRICS & WALLPAPERS

CABINET FURNITURE

Parkertex Fabrics

FABRICS & WALLPAPERS

K. Raymakers & Sons

VELVET MANUFACTURERS

FITTED KITCHENS & BEDROOMS

For a copy of our Interim Statement please write to Martin Jourdan, Chairman, Cornwell Parker plc, P.O. Box 22, Frogmoor, High Wycombe, Buckinghamshire HP13 5DJ.

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Post Code \_\_\_\_\_

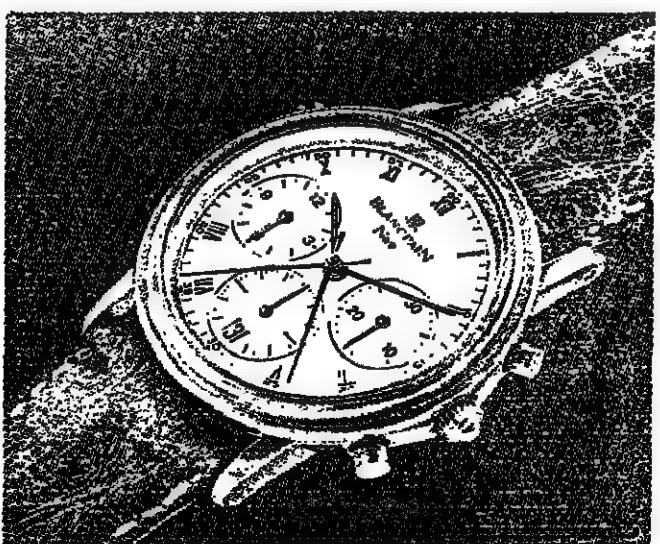
## Collectors' Number - Our Biggest Ever

COUNTRY LIFE

Collectors' Number



ON SALE TODAY



SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH. AND THERE NEVER WILL BE.

BLANCPAIN

A Blancpain watch is the most precise timepiece in the world. Only a very limited quantity of these masterfully-engineered watches leave the workshop of the Blancpain watchmaker in the world every year. The manufacturer is working apace today to commission a watchmaking history.

BLANCPAIN: Geneva, Switzerland. Blancpain is a member of the Swatch Group. Blancpain is a member of the Swatch Group. Blancpain is a member of the Swatch Group.



John J. ...







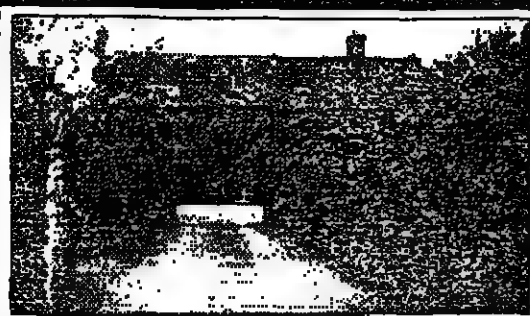
## COUNTRY PROPERTY

# STRUTT & PARKER

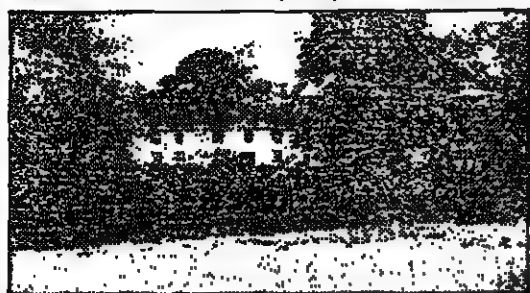
13 HILL STREET BERKELEY SQUARE

LONDON W1X 8DL

071-629 7282



**North Cotswolds.** Chipping Campden 3 miles. Moreton-in-Marsh 7 miles. An outstanding country house of 17th Century origin in a superb rural setting with panoramic views. 4 reception rooms, 6/7 bedrooms, 1/2 dressing rooms, 4 bathrooms. Triple garage with flat over. Coach house/stabling with flat over. Swimming pool. Hard tennis court. Landscaped gardens. Paddocks & woodland. About 10 acres. Region £850,000. Moreton-in-Marsh Office: Tel: (0608) 50502. Ref: 18A9534.



**Devon.** Thiverton 10 miles. An elegant Grade II 5 bedroomed country house in a private and sheltered valley. Annex, 1 x 3 and 1 x 2 bedroom cottage. Buildings with p/p for conversion to 4 residential units. Modern general purpose farm buildings. Land. Woodland. Fishing rights. About 60 acres. For sale as a whole or in 3 Lots. Price guides: Lot 1: Region £500,000. Lot 2: Region £120,000. Lot 3: Region £45,000. Exeter Office: Tel: (0392) 215631. Ref: 13A8780.



**Leicestershire - Glaston.** Uppingham 2 miles. Leicester 21 miles. A fine village house Listed Grade II with glorious gardens and 2 trout lakes. Reception/dining hall with minstrel gallery, breakfast kitchen. 2 reception rooms, billiard room. Master bedroom with en suite, dressing room and bathroom. 3 further bedrooms and bathroom. Office. Stabling. Garaging. Paddocks & copse. About 6 acres. Market Harborough Office: Tel: (0858) 33123. Ref: 11A80128.



**Kent - Nr Sevenoaks.** Sevenoaks 7 miles, London 30 miles. First class residential farm in unspoilt countryside with excellent communications to London. 3 reception rooms, breakfast room. 5 bedrooms, bathroom. Adjoining 2 bedroom guest house. Outbuildings. Two 60 tonne cold stores, pack house. Productive orchard. Strawberry fields. Woodland and amenity land. About 88 acres. Region of £820,000. Canterbury Office: Tel: (0227) 451123. Ref: 8A03275.



**Wiltshire - Berkshire Borders**  
Hungerford 6 miles, M4 Motorway (J.14) 4 miles, Marlborough 9 miles. An exceptional country estate in a prime location. Principal house, guest cottage, 4 staff cottages. Arable and sheep farm. Outstanding views. Pheasant shoot of the highest quality. About 549 acres. Joint Agents

**Knight Frank  
& Rutley**  
071-629 8171

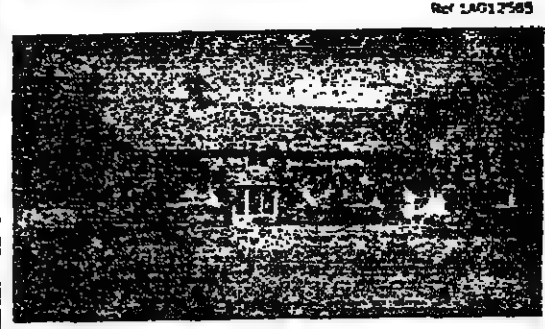
**STRUTT & PARKER**  
071-629 7282



**The Great Westwood Estate**  
London 24 miles, Amersham 6 miles, St. Albans 8.5 miles. An excellent residential, sporting and agricultural estate in a magnificent rural setting. Grade II listed Georgian house with 3 cottages, 3 farmhouses. 5 attractive cottages and estate office. Excellent range of traditional and modern farm buildings. Outstanding pheasant and partridge shoot. 1118 acres arable farmland. 324 acres woodland. About 2474 acres. For sale as a whole or in up to 8 Lots. London Office: Tel: 071-629 7282. Ref: 14A06370.



**Surrey - Bramley.** Godalming 2 miles, Guildford 6 miles (Waterloo 35 minutes). A charming 17th Century country cottage in a magnificent rural setting with views across wooded farmland. Hall, drawing room, dining room, study, kitchen/breakfast room. 3 bedrooms and bathroom. Garage. Gardens and grounds. About 2 acres. Excess £275,000. London Office: Tel: 071-629 7282. Ref: 14A012585.



**Leicestershire - Hambleton.** Oakham 3 miles. Stamford 9 miles, Peterborough 20 miles. A magnificent Grade II 17th Century house set on the edge of Rutland Water. Hall, 3 reception rooms, 4 bedrooms, 3 bathrooms, attic room. Outbuildings. Garaging. Stabling and covered yards. Gardens & paddock. About 2 acres. Further land possibly available. J.A. Savill's, Stamford: Tel: (0780) 66222. Strutt & Parker Market Harborough Office: Tel: (0858) 33123. Ref: 11A80127.



**Kent - Marden.** Maidstone 7 miles, Marden Station London BR 50 minutes. A traditional timber framed period farmhouse in an unspoilt rural situation, requiring some updating. 3 reception rooms, kitchen, store room, shower room/cloakroom. 6 bedrooms, bathroom. Period byre, timber framed barn. Outbuildings. Gardens. Small paddock & ponds. About 1.5 acres. Region £325,000. Canterbury Office: Tel: (0227) 451123. Ref: 8A03288.



**Warwickshire.** Leamington Spa 4 miles, Coventry 10 miles. A gracious country house in a superb setting with first class communications. Hall, 4 reception rooms, conservatory. Master suite of bedroom, dressing room, bath & shower rooms. 7 bedrooms & 4 bathrooms. 4 secondary bedrooms & bathroom. Garaging with flat over. Stabling. Swimming pool. Hard tennis court. Landscaped gardens. Paddock. About 1.5 acres. Moreton-in-Marsh Office: Tel: (0808) 50502. Ref: 18A9536.



**Cambridgeshire - Nr Stamford.**  
Peterborough 8 miles.

A magnificent Grade I Jacobean Manor, "reputed to have the finest Jacobean facade in the county". Reception hall, 5 reception rooms, 6 principal bedrooms. 3 bathrooms and 3 secondary bedrooms. Coach house with garaging, stables and 2 bedroom flat. Landscaped gardens with swimming pool, tennis court, walled garden. River Meadows with frontage to River Nene. About 20 acres. London Office: Tel: 071-629 7282. Market Harborough Office: Tel: (0858) 33123. Ref: 11A03133.



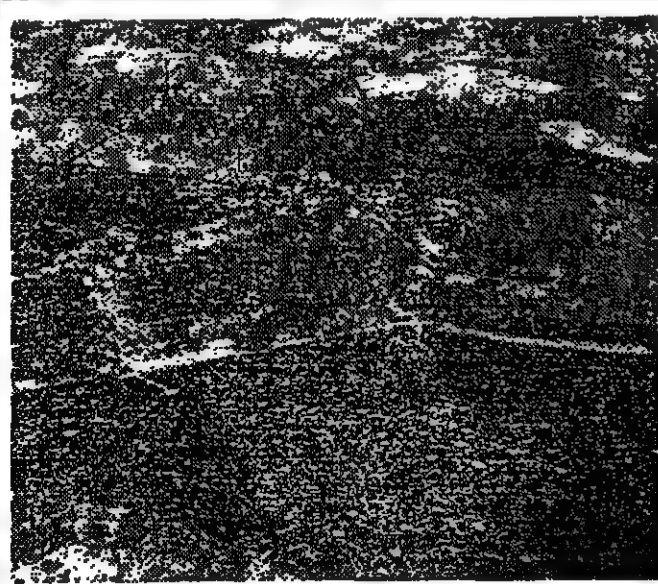
**By St. Andrews.** Edinburgh (Airport) 54 miles. Dundee (Airport) 10 miles, St. Andrews 2.5 miles. An 18th Century category "B" Listed country house, set amidst beautiful gardens & wooded policies. Hall, 3 reception rooms. Game larder. Billiard room. 2 suites of bedroom and bathroom, 8 further bedrooms, 3rd bathroom, shower room. South wing three 2 bedroomed flats. About 6.5 acres. Excess of £375,000. Edinburgh Office: Tel: 031-226 2500. Ref: 38A04081.



**Hertfordshire.** Braughing 1 mile, Buntingford 3 miles. A spacious Grade II country house adjoining the River Rib. Hall, 3 principal reception rooms. Long gallery. Master bedroom suite, guest bedroom suite, 4 further bedrooms and bathroom. Self-contained staff flat. Garaging. Outbuildings. P/C to convert garage into 2 bedroomed cottage. About 2.5 acres. Region £350,000. J.S.A. Hempton: Tel: (0279) 758363. Strutt & Parker St. Albans Office: Tel: (0727) 40285. Ref: 15A00220.



**Wiltshire.** Warminster 3 miles, Shaftesbury 12 miles. An outstanding residential dairy and arable farm. Grade II manor farmhouse. 4 cottages. Buildings with Listed barn and stabling. Modern farm buildings, cow dairy unit & grain storage. Acres of productive farmland (part Grade 2). Permanent pasture. 681,777 litres milk quota. 2 ranges of farm buildings with consent for residential conversion. About 633 acres. As a whole or in 2 Lots. Salisbury Office: Tel: (0722) 28741. Ref: 7A0560.



## Jackson-Stops & Staff

Devon, South Hams  
DITTISHAM  
A name synonymous with sailing  
DITTISHAM COURT

A superb restoration of a Listed Grade II Manor House and barns providing a limited number of individual houses.

- 2,3 and 4 bedrooms.
- Full central heating and double glazing.
- Reserved dinghy space on water's edge.
- Private parking.
- Prices from £95,000 to £250,000.
- Excellent holiday letting potential.
- Superb investment. Discounts available.

For further information of this Dittisham House Ltd. development contact the Sales Office (Thursday-Monday inclusive). Telephone: (080 422) 470 (24 hour answering) or Sole Agents: Jackson-Stops & Staff, 10 Southway West, Exeter EX1 1JG. Telephone: (0392) 214222.

## CATCH THE SUN IN THE SECLUSION OF ST. ELMO COURT.

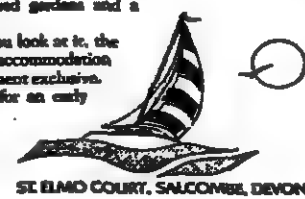
Here is your opportunity to acquire something outstanding. Exclusive apartments in the sun designed for those who expect the best things in life.

The setting is St. Elmo Court, an exclusive development of 16 superb two bedroom apartments and only one magnificent three bedroom penthouse, set in Salcombe, one of the South Coast's most stylish sailing resorts.

Designed to provide a total lifestyle, all the apartments have private balconies and access to the spectacular views, landscaped gardens and a heated swimming pool.

Whichever way you look at it, the position is unrivalled, the accommodation luxurious and the environment exclusive. Please telephone for an early private viewing.

Show Agent: must open daily from 11.00am - 6.00pm. Telephone 054884 3966



Prices From £225,000



**BONUS - EASY MOVE PLAN**  
Purchase one of these superb apartments by 30th September 1990 and you will benefit from:  
1. Expense-Free Package  
2. Professional Interior Design Package  
Ask for Details

**ARIA ESTATES**

## LINGFIELD, SURREY

Rural Position 1 Mile Village & Station

Fascinating 17th Century Spacious Detached House, Tastefully Modernised & Restored with Immense Character & Wealth of Beams



6 Beds, 2 Lux Baths, Fine Galleried Landing, 3 Reception Rms, Brkfst Rm, Kitchen, 2 Cloaks, C.H., Garage/Stabling, 34' Pool, Delightful 2 ACRE Secluded Gardens & Grounds

FREEHOLD  
OVER £460,000

**HOWARD CUNDEY**

LINGFIELD  
(0342) 833333

## William H. Brown

**YELDON, NORTH BEDFORDSHIRE**  
Bedford 6 miles, London St Pancras 50 minutes



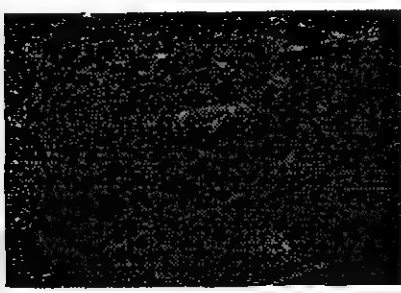
A delightful country cottage, having undergone considerable renovation yet retaining the important period features characteristic to a property of this nature.

Hall, three reception rooms, kitchen/breakfast room, four bedrooms, family bathroom, garaging, private garden, delightful views.

OFFERS IN THE REGION OF £139,990.

William H. Brown & Co., 100, Victoria Road, Bedford, Bedfordshire, MK43 9JL. Telephone: (0455) 714471

## JOHN D WOOD & CO



**RIVER THAMES - COOKHAM**  
Between Maiden and Benson End  
A FREEHOLD ISLAND OF ABOUT 3.5 ACRES WITH MOORING RIGHTS

Delightfully timbered and providing a natural bird sanctuary  
FOR SALE

John D Wood & Co., 26 Curzon Street, London W1Y 7AE Tel: 071 493 4186

## HISTORIC HASTINGS

Unique modern house blending with the old town. Three bedrooms - Large patio garden Large Garage - Superb views Offers around £119,500 freehold Contact

Goldack, Freeman & Williams  
(0424) 421544

## RENTALS

## BRUCE

## ARE YOU LOOKING FOR A RENTAL PROPERTY IN CENTRAL LONDON?

We have a large selection of property from family houses to one bedroom flats, furnished and unfurnished, short and long lets, in every price range.

PLEASE CONTACT TANYA BUTTERFIELD OR KATE EARLE ON 071-937 9684

ST JAMES HOUSE, 13 KENSINGTON SQUARE, LONDON W8 5JD  
07-937 9684/937 9684 Fax 01-936 429

Handwritten signature or mark.



## COUNTRY PROPERTY



# Jackson-Stops & Staff

HEAD OFFICE: 14 CURZON STREET, LONDON W1Y 7FE



## Oxfordshire, 43 acres

Newington, near Wallingford.

An elegant and beautifully restored 17th century country house, Listed Grade II\* with 43 acres. Principal house: 4 reception rooms, 7 bedrooms, 6 bathrooms, service wing. Stable courtyard with staff flat. Planning permission for 2 cottages and garaging. Restored 18th century garden.

Apply: 14 Curzon Street, London W1Y 7FE. Telephone: 071-499 6291.



## Edgbaston, 2 1/2 acres

Within one mile of Birmingham City Centre.

An important Listed residence in well timbered grounds and gardens. 4 reception rooms, 5 bedrooms, 3 bathrooms, attic. Ballroom converted to self-contained flat. Garaging, swimming pool. Superb gardens and grounds with grass tennis court, orchard and paddock. Detached 3 bedroom cottage.

Apply: Market House, Chipping Campden GL55 6AJ. Telephone: (0386) 840224.



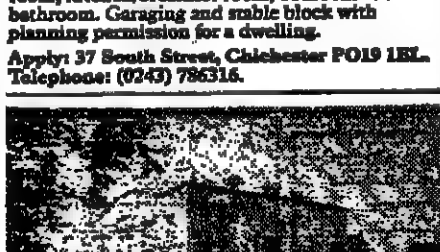
## West Sussex, 5 1/2 acres

Chichester 4 miles. Arundel 6 miles.

An elegant and beautifully appointed Listed Grade II Georgian country house in park-like grounds of about 5.5 acres. The property is conveniently situated at the foot of the South Downs, within reach of good riding and walking countryside.

Reception hall, staircase hall, 4 reception rooms, kitchen/breakfast room, 4 bedrooms, 3 bathrooms. Large second floor flat with sitting room, kitchen/breakfast room, bedroom and bathroom. Garaging and stable block with planning permission for a dwelling.

Apply: 37 South Street, Chichester PO19 1EL. Telephone: (0243) 786316.



## Gloucestershire/Worcestershire borders

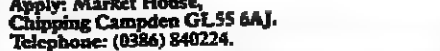
Twickenham 4 miles. M5 (Junction 9) 5 miles.

A handsome Listed Georgian country house in a superb garden with a frontage to the River Avon. Just under 11 acres.

5 reception rooms, 6 bedrooms, 4 bathrooms, 2 secondary bedrooms, staff flat, lodge cottage, stables, coach house and garaging, magnificent gardens, hard tennis court, swimming pool with loggia, paddocks, river frontage, fishing and shooting.

For sale as a whole (or the lodge as a separate lot).

Apply: Market House, Chipping Campden GL55 6AJ. Telephone: (0386) 840224.



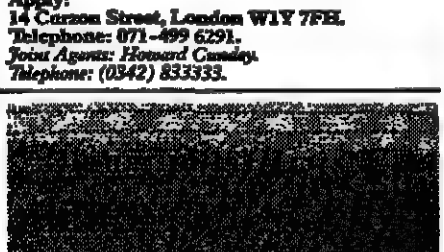
## Surrey, 165 acres

Dorking, near East Grinstead.

Period farmhouse, cottage, building plot and farm buildings for conversion together with 165 acres of productive farmland in an area of Outstanding Natural Beauty.

For sale as a whole or in lots. Apply: 14 Curzon Street, London W1Y 7FE. Telephone: 071-499 6291.

Visit Agents: Howard Cussey. Telephone: (0342) 833333.



## Devon, South Hams, 75 acres

Dartmouth 7 miles.

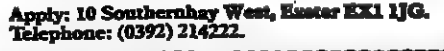
A38 dual carriageway 15 miles.

The Dittisham Peninsula Estate.

A country house in a spectacular waterfront position protected by 75 acres of its own land and 1 1/2 acres of river frontage to the River Dart.

Main House: 5 reception rooms, conservatory, 5 bedrooms, 4 bathrooms en suite, 1 shower room en suite, complete to "Builders Finish" ready for fitting out to individual requirements. 2 bedroom self-granny flat. Garages, stables and outbuildings. Mature gardens, 1 1/2 miles of river frontage and 4 slipways.

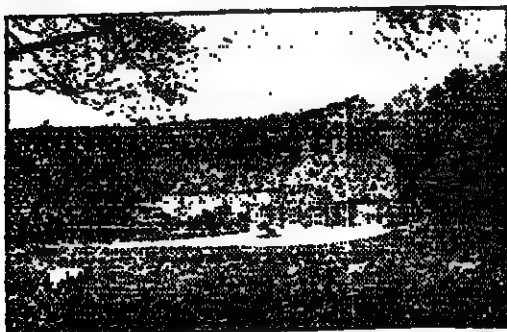
Apply: 10 Southernhay West, Exeter EX1 1JG. Telephone: (0392) 214222.



## SOMERSET - DORSET BORDER

Taunton + M5 16 Miles Sherborne 17 Miles

### AN OUTSTANDING SMALL COUNTRY ESTATE



### FINE HAMSTONE HOUSE IN BEAUTIFUL GARDEN AND PARKLAND SETTING

Hall, 4 reception rooms, 10 bedrooms, 5 bathrooms, Staff Flat, Stabling, Gardner's House and 2 further Cottages.

IN ALL 90 ACRES WITH VACANT POSSESSION

John Clegg &amp; Co.

Tel: 0494-784711

Joint Sole Agents

Jackson-Stops &amp; Staff

Tel: 0935-74066

A division of William H. Brown

## CHARLES CHURCH



### 5 bedroom Ranelagh £449,000

Close to Chorleywood Common are just eleven substantial 5 bedroom houses. A few minutes to the M25 for Heathrow and London.

— Chorleywood, Buckinghamshire —

Prices from £447,000 to £449,000

Laurel Bank, Dog Kennel Lane, Chorleywood.

Show house open 10-6 weekdays, 10-5.30 weekends

09278 5710

## Quality Homes of Character

## SMITH-WOOLLEY

CHARTERED SURVEYORS

LONDON - BATH - CAMBRIDGE - NEWARK - NORWICH - PETERSFIELD - SHREWSBURY - WOODSTOCK

KENT 429 ACRES

Canterbury 9 miles M23 3 miles



### QUALITY RESIDENTIAL AND COMMERCIAL FARM

Grade II Listed Principal House with 7 Acres

3 Reception rooms, 7 bedrooms - in need of modernisation, Stabling, outbuildings and paddocks

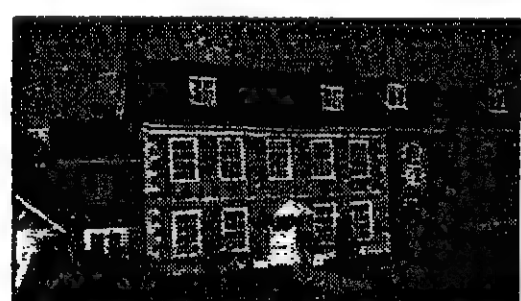
Grade II Listed Secondary House with 13 Acres

2 Reception rooms, 4 bedrooms, office, outbuildings, 8 Cottages (some vacant and separately listed)

Commercially used Hop, Fruit and Cereal Farm. Ample upland farm buildings, Out Crops, 450 Acres mostly Grade 2 Land

FOR SALE BY PRIVATE TREATY AS A WHOLE OR IN LOTS

Apply: Cambridge Office (0223) 252566



## Six years in business and we haven't sold a house yet.

That is because we are not estate agents and work only for buyers. We look at properties through the buyers' eyes and help cut out the endless hours and wasted weekends normally associated with trying to find the right house.

Once you've found it, the price quoted may not be the right price. This is where our experience over the last six years and our knowledge of the market becomes vital. Would you spend £75 million on a work of art without making expert opinion? Unlikely.

If you would like to know more about the most respected buying service in the business, please call William Gething on 01-723 8878.



13 CLEVELAND SQUARE LONDON W2 6EG

01-723 8878

We're in business for the buyer.

## SAVILLS



### LULLINGTON, near Bath, Somerset

Bath 9 miles, Bristol 10 miles

An excellent village house in immaculate decorative order enjoying an unobstructed rural aspect and located to one of the most sought after of Bath's surrounding villages.

Entrance hall, hall, drawing room, kitchen/dining room, study/family room, 5 bedrooms, 2 bathrooms (1 ensuite), double garage, cloakroom, garden annex.

Large secluded garden amounting to approximately one acre.

Contact: Charles Berkshire

(0225) 444622 Edgar House, 17 George Street, Bath, Avon BA1 2EN

Hampshire - New Forest

M27, 20 miles, Salisbury, Southampton, Bournemouth all 30 miles.

A LOVELY COUNTRY HOUSE IN AN UNUSUAL LOCATION, WITH LAND APPROX. 12 ACRES

3 Reception, Conservatory, Farmhouse Kitchen, Chalkroom, 5

Double Bedrooms, 2 bathrooms, Oil

CFL, Charming, Beautiful Garden.

OFFERS IN THE REGION OF £250,000

Please apply Fox &amp; Sons, Fordingbridge (0425) 682121

## MATCHING GREEN - WEST ESSEX

Beautiful 4 bed converted farm house situated in picturesque village, 45 mins from London.

Huge reception room with fire place, planning permission applied for separate 2 bedroom "granny" house. Set in Hohn Brooks designed Garden plus 4 1/2 acres of land with X-country jumps, 4 stables, large haystore/parking, with room for 4 more stables. Only 7 minutes from M11, 20 minutes Stanstead Airport.

Phone (0279) 731433

## LONDON PROPERTY

### WESTMINSTER ON YOUR DOORSTEP

A new development of luxury 1 and 2 bedroom Flats with only 50% remaining and priced competitively, with the City of Westminster Community Charge. Situated close to Victoria Street and the Houses of Parliament, within the Division Bell Area. Fully Carpeted throughout, Entry Telephones, Resident Caretaker, Fully Fitted Kitchens, Garage. Parking Spaces available for each with Electric Security Gate. Excellent business community and company use. New Crown Estate 99 year lease.

Prices from £148,750

SHOW FLAT OPEN DAILY



CLUTTONS

45 Berkeley Square, London W1X 5DB. Tel: 071-408 1010

## Humberts

Wiltshire 207 acres

Marlborough 1 mile, Pewsey 5 miles (Paddington 55 mins), Swindon 12 miles (Paddington 50 mins), M4 (J15) 9 miles.



A stunning residential estate with a substantial principal house and potential for further addition to the already comprehensive stud and training facilities.

The recently refurbished house is set in beautifully maintained gardens. The accommodation includes 5 reception rooms, 9 bedrooms, staff flat, indoor swimming pool and additional facilities. A total of 23 loose boxes laid out in 2 yards, tack and storage rooms, groom's cottage, and all weather track. Construction commenced for a stud manager's house, groom's hostel and a further 16 loose boxes. Site for a 7 tuning gallop. Extensive raised paddocks totalling about 60 acres with direct access to the yard. Additional arable, pasture and woodland. About 380 yards of single and double bank fishing on the River Kennet.

In all about 207 acres. For sale by Private Treaty as a whole or in 7 lots.

Details from: Egerton Ltd, 127 Mount Street, London W1Y 5HA, Tel: 071-493 0678

and Humberts, Pewsey, Tel: (0672) 63285 and London Office

## The Vale of Aylesbury

276 acres

Quinton 1 mile, Aylesbury 4 miles, Bicester 12 miles.



A beautifully maintained residential stock farm in the heart of the Vale of Aylesbury and ideally suited for use as a stud.

The period farmhouse enjoying magnificent views and having 3 reception rooms, 4 bedrooms, 2 bathrooms and additional accommodation. Garages and garden. An excellent range of modern farm buildings, including superb stock handling facilities, a farm office and loading bay. The post and rail paddocks form a particular feature of the property with well trained hedges. The renowned and productive pastureland is situated in the Bicester Hunt country below the Quainton Hills with views towards Waddesdon Manor. In all about 276.21 acres. For sale by Private Treaty as a whole.

Details: London Office, Tel: 071-628 6700

## Hertfordshire Hemel Hempstead 4 miles,

St Albans 8 miles, Luton Airport 7 miles, M1 J6 3 1/2 miles.



A substantial Victorian family house with outstanding views.

Entrance hall, 4 reception rooms, 9 bedrooms, 4 bathrooms (1 ensuite), cloakroom, nursery, games room, 2 kitchens, boiler room, large cellars. Oil fired central heating. Garaging for 4 vehicles. Outbuildings. Hard tennis court. Attractive gardens and grounds. Orchard and paddock.

Freehold for sale with about 4% over the open market.

Details: Hatfield Office, Tel: (0707) 275351 or London Office

Humberts Chartered Surveyors London Office: 25 Grosvenor Street, London W1X 9FE

Residential Commercial Telephone: 071-493 8700

Agricultural &amp; Leisure Telex: 27444 Fax: 071-493-4345

## CLUTTONS

### LUXURY FLATS



A luxury development of 43 flats situated in one of the most prominent sea front locations on the South Coast. Designed to captivate views over the Channel to the South East and South West. Plus a roof garden with spectacular views throughout 160° over the coast, Channel and Kent countryside.

Wide selection of 1, 2 &amp; 3 bedroom flats within the range of £57,500 - £300,000

Long lease 125 years

SOME EQUITY SHARE AVAILABLE Equity Share on request. Full details on request.

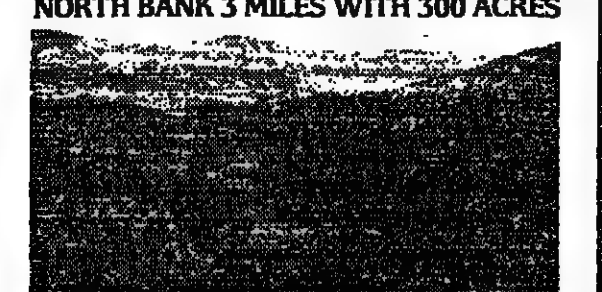
N°1 THE LEAS FOLKESTONE KENT

5 West Terrace Folkestone Kent CT20 1RR Tel: (0303) 850422

## FINLAYSON HUGHES

### LOWER RIVER BRORA

NORTH BANK 3 MILES WITH 300 ACRES



### ALSO PART OF GORDONBUSH ESTATE

3830 ACRES BRORA SUTHERLAND

A top quality mixed sporting estate.

194 Salmon. 200 Brace Grouse. 5 Stags.

For sale as a whole or in two lots.

45 Church Street, Inverness.

Tel: (0463) 224343. Fax: (0463) 243234.



## COUNTRY PROPERTY

# Harrods

ESTATES



**HAMPTON, MIDDLESEX.** A Grade II William and Mary House, correctly restored with separate Garden House and Garage Block in a walled garden of about an acre adjoining Bushy Park. Five reception rooms, breakfast kitchen, four bedrooms and three bathrooms in the house.



**HAMPTON, MIDDLESEX.** A fine Regency house with conveniently arranged family accommodation. Drawing room, sitting room, dining room, garden room, breakfast kitchen, four bedrooms, two bathrooms, mature walled gardens and garaging.



**TOTTENHAM, NORTH LONDON.** A family residence designed by the prominent architect J. Leonard Williams at the beginning of the Century. Five bedrooms, two bathrooms, three reception rooms, study, breakfast room, domestic offices. Annex with six rooms, bathroom and utility. Gardens of about one acre with tennis lawn, pool and listed 17th Century barn.

**HARRODS ESTATES**  
61 Park Lane, Mayfair, London W1Y 3JF. Fax: 071-495 0637.  
**071-495 3660**  
Also at Harrods Banking Hall,  
Knightsbridge SW1X 7XL



**SELL YOUR HOUSE**

## Through the Weekend FT Property Pages

To advertise your property in the Saturday property pages, simply complete the coupon below and return it to: Ruth Woolley Residential Property Advertisement Manager, Financial Times, Number One Southwark Bridge, London SE1 9HL.

Allow five words per line (minimum 3 lines) Cost: 5-15 words (£24.15) 20 words (£32.20) 25 words (£40.25) 30 words (£48.30) 35 words (£56.35) 40 words (£64.40). These rates include Vat. Advertisements over 40 words, rates are available on application, please attach copy separately. Lineage: £7.00 per line + Vat. Display: £30.00 per sq + Vat (Minimum 3cm)

Please insert the following copy in the Weekend FT:  
on Saturday 1990

I wish to pay cheque, value £  
made payable to: Financial Times Limited.

I authorise you to debit from my Visa/Amex/Access account  
(delete as applicable) the sum of £

Signature

Card expiry date

My card

number is

Name:

Address:

Postcode:

Daytime Tel No:

Weekend FT Property Pages 071-873 3000

## LONDON PROPERTY

SHOW  
APARTMENT  
OPEN TODAY  
SUNDAY 11.00am-5.00pm



### PARKVIEW HOUSE

A unique new development  
of 13 special penthouses  
constructed around  
a magnificent landscaped 'garden  
in the sky'.

Conveniently located between Regent's Park and  
Camden Town, Parkview House is entered  
through a stunning marble lined entrance with  
passenger lift leading directly up to the pent-  
house floor.

Studio/1 bedroom, 2 and 3 bedroom units  
each with private roof terrace.

- Poggenpohl kitchens
- luxury bathrooms
- full carpeting
- maximum security
- underground garaging

125 year leases  
FROM  
£130,000  
TO  
£245,000

SOLE SELLING AGENTS



3 individual show apartments by  
LASSMAN INTERIORS

PARKVIEW HOUSE

INNOVATION



WITH STYLE

A QUANTUM LEAP IN  
RESIDENTIAL ACCOMMODATION  
DESIGNED BY NORMAN FOSTER  
OVERLOOKING ALBERT BRIDGE

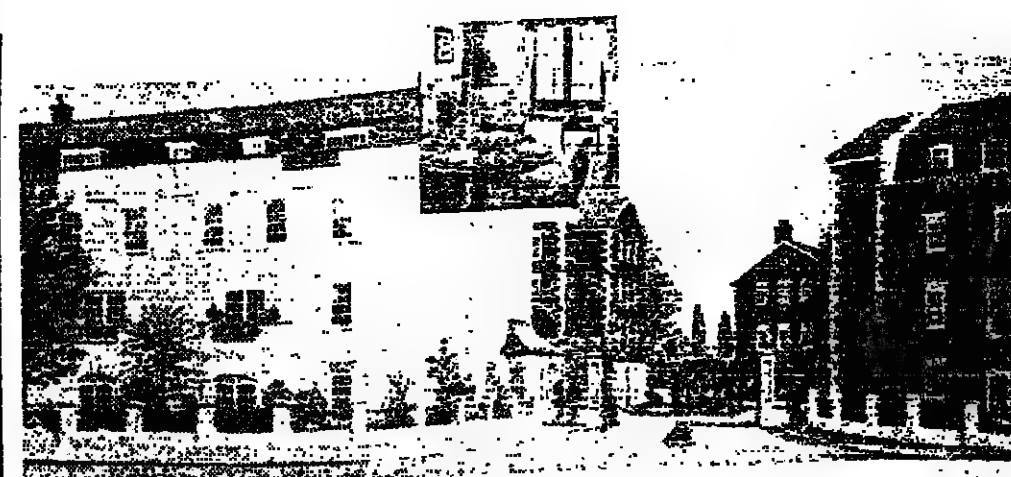
APARTMENTS FROM £399,000  
125 YEAR LEASES

EXCEPTIONAL SECURITY & ADVANCED  
TECHNOLOGICAL COMMUNICATIONS  
UNDERGROUND GARAGING  
HESTER ROAD LONDON SW11

**Knight Frank**  
24 & Rutley  
LONDON RESIDENTIAL  
100 Strand, London WC2R 0JH  
071-824 8171

A DEVELOPMENT BY  
**BROOKGREEN**  
GROUP  
SHOW FLAT OPEN DAILY  
11.00 am-5.00 pm

**DRUCE**  
27 Abchurch Lane, London EC4A 3DF  
071 561 3771



Buy a dream  
by Hampton Court  
by the river

A mere few hundred yards from  
Hampton Court Palace is Queens Reach.  
An exclusive development of seventy five  
beautiful period style apartments nest-  
ling by the serene River Mole.

The spacious apartments, most of  
which have superb river views are  
designed for easy living. They are  
impeccably finished with meticulous  
attention to detail. Features include  
mahogany double glazed windows; fitted

kitchen; elegant fireplace; en suite bath-  
room; independent gas central heating;  
passenger lifts; porterage; video entry  
phones; quality carpets throughout; and  
ample parking with garaging.

Prices range from \$89,500 for the  
one bedroom apartments, to \$285,000 for  
the truly magnificent penthouses.

Queens Reach is a rare opportunity  
to live in style in a idyllic setting. For  
viewing contact Quinton Scott.



**QUEENS  
REACH**  
Creek Road, East Molesey

**QUINTON  
SCOTT**  
081-946 7700/9600  
Site sales 081-941 3261

**DANCON**



### MARPOL Developments Limited

SEVEN SUPERBLY APPOINTED APARTMENTS IN A  
DISTINGUISHED VICTORIAN HOUSE IN A QUIET  
CUL-DE-SAC SQUARE CLOSE TO HARRODS.

Features include:

- NHBC Guarantee
- Kone 4 person Lift
- Balconies, Terraces or  
Patio to six of the seven flats
- Telecom Security and  
Video Entry Control
- Danish kitchens - fully  
fitted with NEFF appliances
- Tiled bathrooms all with  
shower fittings
- Fully carpeted throughout  
and Amtico kitchen flooring
- Hot water and central  
heating by NOBO
- Fitted cupboards with  
drawers and shelving

FOR SALE ON 125 YEAR LEASES  
PLUS A SHARE IN THE FREEHOLD

SPECTACULAR 3 BEDROOM DUPLEX PENTHOUSE  
WITH TERRACE £115,000

FIVE SPACIOUS 2 BEDROOM FLATS - FOUR WITH  
BALCONIES OR PATIO £285,000 TO £395,000

IDEAL 1 BEDROOM PIED-A-TERRER WITH A BALCONY  
£185,000

SHOW FLAT BY FT DESIGNS OPEN DAILY 11 AM - 7 PM

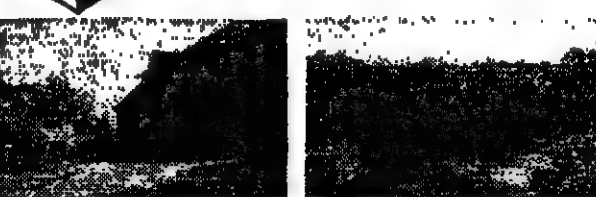
**W.A. ELLIS**

ESTATE AGENTS AND SURVEYORS ESTABLISHED 1868

### COUNTRY PROPERTY



### ELMBRIDGE ESTATES



### ST. GEORGE'S HILL, WEYBRIDGE, SURREY

Traditional Tarrant House with Building Plot

Set in probably the most exclusive private estate in the  
South of England, this charming house offers 4 Reception  
Rooms, 7 Double Bedrooms, 5 Bathrooms (2 en-suite),  
Kitchen/Breakfast Room and Utility Room with superb  
views from its South facing elevated position.

The detached double garage complex incorporates a  
staff/family apartment.

The grounds of 1.5 acres are of natural beauty, include a  
swimming pool and overlook the St. George's Hill Golf  
Course.

Directly adjacent is a 1.35 acre building plot also backing  
onto the golf course.

No chain involved - possible part exchange.

House £925,000 - House with building plot £1,500,000

Telephone: (09323) 53091 for further details

### CLUTTONS

SOUTH WEST SCOTLAND - GALLOWAY  
Glasgow 80 miles. Irvine Paper Mill 50 miles

Highly attractive and varied  
928 ACRE FOREST ESTATE

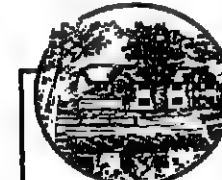
Prime Forestry Investment.  
Low lying and well established woods aged 14 to 17 years  
showing exceptional rates of growth.  
Excellent sporting and fishing.  
Development potential.

For Sale as a Whole or in 7 Lots.

Joint Agents:

Cluttons,  
6 South Charlotte Street  
Edinburgh  
031-225 8602

David Goss & Associates  
Broomrigg House,  
Holywood, Dumfries  
(0387) 720184



A UNIQUE  
OPPORTUNITY TO LIVE  
IN THE GROUNDS OF  
A MANOR HOUSE -  
5 BEDS, £260,000 (not in  
the picture)

Imagine the pleasure of  
living in the grounds of a  
Hertfordshire Manor House  
with a view over a private  
lake.

In keeping with this unique  
setting, a limited number of 5  
bedroom homes are available  
- built to the highest  
specification.

Phone Ann Freeman for a  
colour brochure on 0922 468722.

THE LYNCH, HODDSDON

**McLean**  
CREATIVE HOMES

### BUCKINGHAMSHIRE - HORTON VILLAGE, NR. IVINGHOE

New farmyard development  
nearby completion in a rural  
setting. 4 bedrooms, 2 en-suite,  
main bathroom. Oak beamed  
ceilings, study, cloakroom, utility  
room, kitchen, dining room,  
sitting room, large conservatory  
+ patio. Covered way to double  
car port, brick built double  
garage + three stables. 2 acre  
paddock with small lake. Ched-  
dington sta. 10 mins. Euston 45  
mins. Offers around £425,000.

Daytime 0296 662577  
even. 0525 320142

### WEST WALES - NEAR CARDIGAN SMALL COUNTRY ESTATE - 20 ACRES

8 bedroom manor house plus  
large detached family house +  
self contained cottage. Large  
range of stone farmbuildings,  
former stables, servants quarters  
etc. Extensive grounds, walled  
gardens + woodland. Ideal  
holiday centre/leisure  
development. Excellent country/  
coastal location. £375,000.

N. Rees, Fred Rees & Son,  
Estate Agents, Castle House, St  
Marys St., Cardigan,  
Dyfed, West Wales  
01732 612461 & 614297

John, in the







## FOOD &amp; WINE

Bottles for wine bores:  
how to catch a fanatic

Put away that Petrus, says Jancis Robinson. When it comes to entertaining a connoisseur, an element of surprise works best

WE ALL have people whom we dread entertaining, for a variety of reasons. Quite apart from individuals' idiosyncrasies, certain categories pose special problems. I am wary, for example, about inviting those with uncompromisingly modern, or grandly Georgian, ideas on interior design to my late-Victorian home. And when friends in the fashion world are expected, I fret terribly about what I'm going to wear.

I suppose that wine enthusiasts make some of the least popular dinner guests to all but the equally wine-mad - in fact it's probably a wonder I ever get my knees under anyone else's table at all. A household that potters along happily on Bulgarian Cabernet Sauvignon the rest of the year may be thrown into a tizzy by the advent of a Wine Bore. A host who would normally reckon that a bottle of Sancerre is anything was good enough for anyone might feel forced to think again at the prospect of having a wine merchant to dinner.

So what is the answer, apart from serving these strange wine-fancying creatures your usual plonk and telling them to get on with it? The answer is very definitely *not*, contrary to popular belief, to go into your local off-licence and buy the most expensive bottle available.

Quite apart from the cost, the odds are that this will either be far too young to warrant pulling the cork, or from some vintage or provenance so undistinguished that the more fastidious fine wine specialists wouldn't buy it. Buying the most

expensive bottle of white from my local Unwins, for example, would yield a 1984 Chassagne-Montrachet, a village white burgundy of a lean vintage, from a firm of which neither I nor any Burgundian reference work has ever heard. Veuve Aubert, at £17.85.

When I rang their head office to ask for more details all I got was "You're a very expensive lady to run, aren't you? My word!" Buying the most expensive red from run-of-the-mill off-licences would too often yield a grand but still monstrously hard 1986 red Bordeaux at the moment, or even a bottle that had - turnover at the top of the range being as slow as it is - stood under the lights for too long to be worth its price tag.

Throwing money at this particular problem brings no guaranteed solution (although among recent vintages for classically fine wines it is difficult to find a 1986 white burgundy and a 1982 red Bordeaux that don't have some appeal for current drinking). You will win no points for imagination or originality, and will have spent a great deal.

A much more cost-effective solution to the problem of incoming wine experts is to trillate them, by giving them something unusual from a specialist in that unusual area. Most of us wine fanatics are shockingly parochial, parishes such as Pauillac, St Julien, St Emilion, Pomerol, Pommard, Meursault and Chablis receiving a quite undue amount of attention.

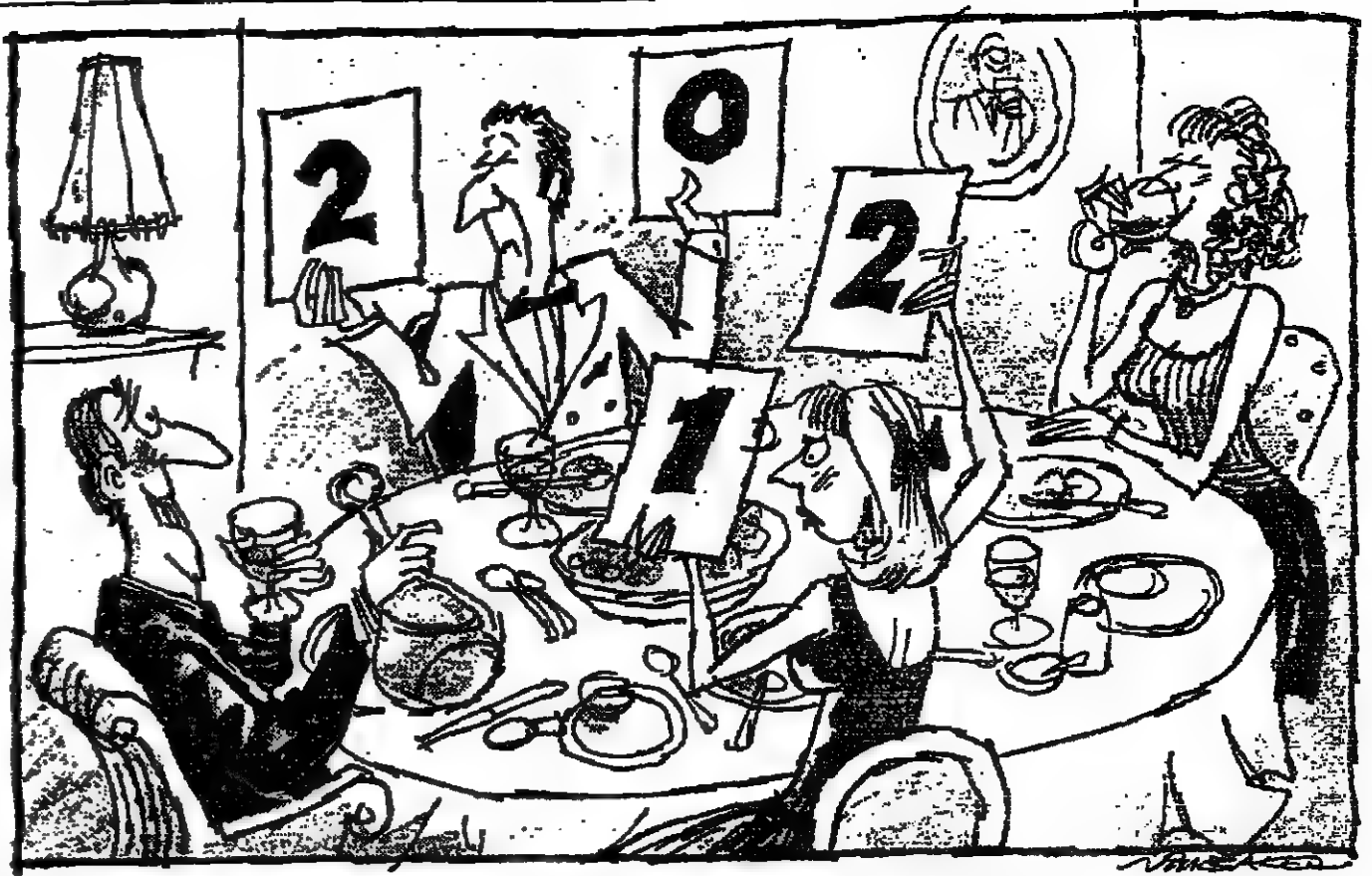
Anyone with a reputation for connoisseurship should be impressed by one of the truly fine reds coming out of Central

Italy at the moment, although if your guests are determined Francophiles, serve it in a decanter. Take counsel from one of the small band of wine merchants who specialise in Italian wines such as Laig's of London SW10, Milleville of Stockport, Valvona & Croila of Edinburgh or Winecellars of Wandsworth High Street.

Valvona & Croila, for example, can offer the ultra-trendy Ornellaia, made from Merlot grapes grown close to Italy's most famous Cabernet, Sassicaia, and virtually unobtainable elsewhere in Britain. They list both the 1986 and the more approachable 1985 for about £20 a bottle, although they, like most other merchants with half-decent Italian collections, can offer several other very fine and truly interesting 1986 and 1988 oak-aged Tuscan Vini da Tavola at well under £10 a bottle.

You could really intrigue a wine expert by serving a fine Italian white wine too. Such wines are only just starting to make headway in this nation of doubters raised, admittedly, on tired Soave and watery Frascati. I have been most intrigued recently by two made in Sicily from native grape varieties which result in curiously nutty, characterful wines with something of the build of a Corton-Charlemagne, as you might let slip to your guests.

Vigna di Gabri, Donnafugata costs between £5.30 and £7.40 a bottle from Gerry's of Old Compton Street, London W1, Chiswick Cellar of W4 and the Master Cellar, Aberdeen Road, Croydon. It is surprisingly refreshing and interesting for a white made in such torrid conditions, while the Inzolia-based oak-aged Bianca di



Valguarnera 1987 from Duca di Salaparuta, imported by Ciborio of Greenford, is a little flabbier but would still tickle most wine lovers' fancy.

Italy deserves more attention at the moment but you may feel it is too esoteric for your wine bore guest. Another thought is to provide him or her with a range of wines from one of France's good but under-appreciated regions. The south-west is the most obvious candidate. Sookias & Berland of London SW10 telephone orders only, 01-370-6500, the most obvious specialist merchant. It is difficult to imagine that too many of the greatest wine experts in the world are over-familiar with such

wines as Marcillac, Tursan and Entraygues et du Fel. You could try some of Spain's best from Moreno Wines of London W2 or some of Spain's most obscure from Fox & Read of London N11 on 081-455 2339 (orders by the case only).

One wine style that will come as a revelation even to experienced wine drinkers is drier German wine, as good at the table as before it and excellent with all but the richest meat reductions. The wine departments of such stores as Selfridge's, Fortnum & Mason and Harrod's can offer sightings of this rare species. The 1988 and 1989 vintages have been exceptional and Germany and the 1985 Trocken and Halb-

trocken wines are just starting to come into their own. Louis Guntrum made some delicious 1988s (and 1989s) in the Rheinhessen - just the thing to put paid to those wine snobs who think this wine region is all about Liebfraumilch. Starting under £4, they're all about tightly-reined fruitiness. Frank Stainton of Kendal is a good northern stockist and Whitrose has an excellent Guttrun 1988 at £4.96. Probably the single most sensible course is to visit your nearest Oddbins, whose range (recently bolstered by some new Australian bargains) is as wide and innovative as their staff are keen to opine on it.

## High Street Wine

Fine fettle for  
under a fiver

AN ODDBINS tasting at which I sampled 54 wines from seven countries, all costing less than 25 pence a bottle, demonstrated the wealth of inexpensive wines currently on the shelves. Those from outside Europe included 11 from Australia (in which Oddbins has specialised), six from Chile and three from Washington State. Thirty four were less than £4.

At the price levels at which most wine is drunk in the UK the New World wines present a challenge to those from Europe, as the moderate prices of French Chateau Wines and generic Italians show; the challenge is in quality too. Apart from the European wine lake, of which we hear rather less these days as some of it has been drained, there is certainly a surplus of drinkable, low-price wines in the world, particularly from Australia and New Zealand, both highly dependent on exports. And now that we are becoming friends again with Argentina, which produces at least as much wine as the US, its big output of low-priced, easy-to-drink wines is likely to be very competitive, as the Bulgarians are now. Even the 83 wine today is only the equivalent of the 23 five years ago after inflation; and it is probably better in quality.

Here are notes on most of the wines I tasted.

**WHITE:**  
Cote de Gascogne, Dom. St. Lannes, 1988 (£2.99): The Cotes de Gascogne has in the last few years become one of the most successful inexpensive French *vins de pays*, but so far the reds have been better than the whites, always more difficult to produce to ensure freshness. Although drinkable, this has the fault of many cheap whites - over-sulphured to prevent the risk of secondary fermentation in bottle.

Tokay Pilsz Gris, Turekheim, 1988 (£3.99): No excess sulphur in this Alsace wine, with an attractive, scented nose and fruity flavour from the very reputable Turekheim co-op. Excellent value.

Gewurtztraminer, Scherer, 1987 (£4.49): When young, Gewurtztraminer is often aggressive on the taste, but this is a flavoury, well-developed wine. Very drinkable.

Soave, Santini 1988 (£2.49): This has more flavour than fairly basic Soave, but it also has more fizz; whether one likes this is a matter of taste.

Gracetto d'Arquata, Adanti 1988 (£4.99): Gracetto is Umbria's leading white wine grape, with more flavour than the traditional Tuscan Trebbiano. Still rather closed and a little on the heavy side, but interesting enough to be worth trying.

Tolley's Pedare Rhine Riesling 1988 (£2.99): Australian Rhine Rieslings are seldom much like their German originals. This is sweetish but with fair acidity, good value for those who like this undemanding type of wine.

Salttram Semillon 1988 (£4.14): This has the slight sweetness of the Semillon grape and is fruity, but I found it rather unexciting.

Lindeman's Chardonnay, Bin 65, 1989 (£4.99): A softer, more distinguished wine than the Semillon. Soft and with dis-

tinctive character, it makes very agreeable, quite classy drinking. Good value.

Columbia Crest Sauvignon Blanc 1988 (£4.49): From Washington State with a fine nose and fresh clean flavour, a wine of some style and class.

From a fairly new wine exporting region, and the third largest wine-producing state in the US.

California Sauvignon Blanc 1989 (£3.49): This Chateau wine is not a very typical Sauvignon and more like a Flavoury Chardonnay, but none the less an attractive, full-bodied wine.

California Chardonnay 1989 (£3.99): Nevertheless the real thing, with a very clove bouquet and oaky taste, worth the extra 50p.

**RED:**

Oddbins Red, Cotes Catalanes 1988 (£2.69): As the name indicates this is made near the Spanish border. With good colour and plenty of aroma and body, this is a long-lasting mouthful and good value.

Minervola, Ch. Parana 1988 (£3.99): A tannic wine with very good colour that needs another year or two in bottle to soften it, but then should be attractive drinking.

Valpolicella, Santini 1988 (£2.49): An unpretentious Valpolicella of quick-maturing style, with a decided bouquet and a soft flavour. A low-priced wine for current drinking without much call for further consideration.

Morellino de Scansano, Le Pupille 1988 (£4.99): Although one of Italy's 230 DOC wines, a few years ago this would scarcely have been known or drunk beyond the southern boundaries of Tuscany. Now matured in French oak, it is well-balanced, has a fairly light flavour and an individual style, distinct from Chianti.

Toro Gran Colegiata 1987 (£2.97): Coming from the north-west of Spain, this is made partly from the local Tinto de Toro grape, known as Tempranillo in the Rioja area and one of Spain's best. With plenty of colour, oaky but not excessively so, this is an attractive wine at a good price.

Tempranillo, Raimat 1987 (£2.99): This is not a Rioja but comes from the Western side of Catalonia where Raimat is a subsidiary of the huge sparkling wine firm, Cordoniu. Matured in American oak which gives a rather sweeter flavour than French, it has a good deal of flavour without being aggressive. Very attractive and worth the money.

Cabernet Sauvignon, Seaview 1986 (£3.99): A very sound Australian Cabernet, with a blackberry bouquet, and an attractive, developed flavour. Seaview is a subsidiary company of Penfolds in Adelaide.

Penfolds Kalimna Bin 28 Shiraz, 1986 (£4.99): Kalimna is one of Australia's older vineyards, and Penfolds have been particularly successful with Shiraz. This 13 degrees wine has a big colour and powerful flavour and is recommended to those who like the concentration that typifies this grape, originally from the Rhone.

All these wines should be available from Oddbins' 145 branches around the UK.

Edmund Penning-Rowell

## Food for Thought



The acceptable face of the British beef industry - but could it be a "mad cow" underneath that placid exterior?

## Danger — the spice of life

RECENTLY I was given an unusual invitation: would I participate in a dangerous dinner? While my mind flew to Japanese fugu fish and other such potentially lethal dishes the woman continued: "We're having beef, chicken, raw eggs and Austrian wine."

Horror! That meant exposing my digestive system to the possibility of bovine spongiform encephalopathy, or "mad cow" disease (the beef); salmonella (the chicken and eggs); and Lord-knows-what from the Austrian wine, which a few years ago was overshadowed by a minority of bottles containing one of the chemical elements of anti-freeze.

I should have been reassured when she told me the meal was at the Boulestin restaurant in London's Covent Garden, and that the chef involved was Michael Gottlieb of Smollansky; Anthony Worral-Thompson of 190 Queensgate; Beth Coventry of Greens; our host, Kevin Kennedy of the Boulestin; and Brian Webb of Hilaire.

The menu was made up of steak tartare, made from "matured good Scotch fillet" (Gottlieb); carpaccio (Worral-Thompson); Dublin Bay prawns with poached eggs (Coventry); chicken, lamb and tournedos Rossini (Kennedy); unpasteurised Brie de Meaux and very runny creme brulee (Webb). Some indifferent Aus-

trian wine appeared with one course - not a pre-1985 sticky, but a bone-dry Grüner Veltliner, tucked in without the slightest feeling of risk.

Judging by the abundance of media around us, perhaps I should have been more prudent: an NBC team filmed our every mouthful; the BBC and LBC teams outdid themselves in their attempts to interview every food writer in the room. Eventually they settled down to interviewing one another.

**Giles McDonogh feasts on beef, eggs and chicken — and lives**

During the meal, my neighbours and I tried to imagine a really dangerous dinner. Prime Angus should give way to hamburgers from a scruffy stall, eggs would come from a corner shop and carry an expired sell-by-date, the prawns would come from the North Sea, an inadequately micro-waved TV-dinner would replace the *pieces de resistance*, the cheese would be industrially made long-storage stuff. As for pudding, the possibilities were endless.

On my left, the environment correspondent of a Sunday newspaper provided a more

serious line of argument as regards food hygiene in the UK. In his opinion no other country took so many liberties in food production. He thought meat recycling should stop and the public come to terms with scarier and dearer meat.

Later I called the Farmers' Union to find out just how dangerous my meal had been. The eggs crisis was largely over, I was told, although there was still a problem of salmonella in chickens, which can be avoided by not eating them raw: salmonella is killed by two minutes at 70°C. The official also said there was never any real temptation to feed laying hens on bone-meal or offal as it does not make for good eggs.

The feeding of cattle on mixed-up bones and brains came to an end in July 1988. I was interested to find out what had happened to this recycled mutton carrion. Easy, said the official, it's fed to pigs and poultry. Oh Lord, I thought, here we go again.

At UKASTA, the body protecting animal feed companies, I spoke to a very reasonable man who reminded me that cows were ruminants whereas pigs and chickens were omnivorous. Pigs had always been fed on leftovers. Yes, I replied, but there is a difference between the remains of Sunday lunch and the remains of a dead sheep. Here he corrected me: the total amount of bone

and offal would not exceed 9 per cent of their diet, and it was essential for balance.

Sir Richard Body, Tory MP for Holland with Boston, disagrees. Pigs, he says, are remarkably similar to human beings in their genetic make-up. It is quite possible that a pig could pass on sickness to a human. Moreover, pigs are slaughtered so young that it is hard to chart the presence of bacteria in their bloodstreams. Sir Richard's solution is to feed the animals on high protein soya and use the recycled carcasses and offal for fertiliser. Very good for vegetables, and there is no danger of Mad Carrot Disease.

The supermarkets are reacting nervously to these continuing trials. Marks and Spencer's buyers told me that the problem was being urgently discussed. And has gone a step further and issued "conservation grade" beef and lamb which guarantees the absence of animal feed. Left to their own devices most chickens would not forgo a piece of meat. The free-range birds at Home Farm eat nothing more wicked than worms and snails.

The UKASTA spokesman said he thought the risk of catching BSE from pork or poultry was minimal. But after these plagues of Egypt, I have become more aware of the danger - and I shall be more prudent next time I go shopping.

## Cookery

## The glamour of being a gooseberry

STRAWBERRIES blaze a social trail through summer. They are the obvious and favourite choice for menus served on glamorous occasions; at Glyndebourne, Wimbledon, Ascot, Henley et al. I intend to down my fair share of sweet berries but I relish just as much the tartness of fruits like apricots and gooseberries.

Apricots when warm and perfectly ripe are delicious raw and seem just right for eating out of doors. At the end of a simple picnic, not a smart *fete champetre*, or when lunching quietly in a sunny garden, what could be better or prettier than a bowl of blushing apricots, tumbling cherries and tissue-wrapped amaretti biscuits?

On the other hand green gooseberries, hailstone-hard and hairy, are much too sharp to eat raw. They must always be cooked. I love them for their chameleon-like eagerness to take on any fragrant flavouring the cook may care to lavish on them, and they are equally good hot or cold.

**GOOSEBERRY, ELDERFLOWER & ALMOND PHYLLIS PIE** (serves 6)

This is a quick and easy alternative to the hot watercrust raised gooseberry pie that was once commonly served at Whitstuntide. Not too heavy to eat, it is deliciously scented with the traditional country cook's flavouring of elderflower blossom and is very handsome with its quilted topping of crisp brown pastry under a snowy drift of icing sugar.

1 lb 2 oz green gooseberries; 3 elderflower blossoms; 1½ oz split almonds; 3 to 4 oz caster sugar; about 4 sheets of phyllo pastry; melted butter; a little cornflour and icing sugar.

Choose a shallow baking dish about 8½ in in diameter. Moisten it with three tablespoons of water. Top, tail and wash the berries and put them into the dish. Bake the flowers from the elderflower with a fork or fingers, mix them with the sugar and about two teaspoons of cornflour. Sprinkle the mixture over the gooseberries and scatter the almonds on top.

Cover with eight layers of phyllo pastry, cutting the sheets to size, brushing each layer with melted butter and tucking in the ends neatly before adding the next. Use a sharp knife to score the top with a diamond pattern.



fresh angelica leaves and tender young shoots (both finely chopped) could be used in lieu of candied stems, but I have not tried them. Scented sweet geranium leaves are another aromatic possibility, as are the muscat-scented flowers of elderflower.

For the pastry: 4 oz each white and wholemeal flour; 2 oz each butter and lard; 2½ tablespoons water to bind.

For the filling: 12 oz green gooseberries; 1 oz top quality candied angelica; ¼ pt single cream; 2 egg yolks; 3 oz freshly ground almonds; 4 oz caster sugar.

Make the pastry and use as much of it as you need to line a shallow 10 in fluted flan tin. Blind bake it.

Cut the angelica into snippets. Spread it over the base of the pastry case. Scatter the topped and tailed gooseberries and 1 oz of sugar on top and bake on a preheated baking sheet at 400°F (200°C) gas mark 6 for 12 minutes.

Beat together the cream, egg yolks, ground almonds and 2 oz sugar. Pour the creamy almond mixture over the warmed

gooseberries. Tap and shake the flan to spread the mixture evenly, and cook for 20 minutes more until the custard is set and the fruit tender but not disintegrating.

When the flan is nearly ready, warm 1 oz sugar gently until dissolved, then cook it to a rich caramel. Do not let it burn. Quickly pour the fruit in a thin zigzag pattern across the surface of the flan and leave until tepid before serving.

Leftovers, should there be any, are excellent cold but the berries dimple gradually as they cool so the flan loses its looks with the passage of time.

**GOOSEBERRY ICE** (serves 2)

Ice made with yoghurt instead of a rich egg custard are supposedly the smartest desserts this summer in health-conscious circles. This one is exotically flavoured with orange blossom water and it gains extra points for fibre content. For smoother results the fruit can be sieved after cooking to extract skin and pips. In this case there is no need to top and tail the fruit but remember to add an extra handful of gooseberries to the cooking pot to compensate for weight loss in sieving.

1 lb green gooseberries; 3 to 3½ teaspoons triple distilled orange blossom water; 6 oz caster sugar; 1 x 255 gram tub of Greek strained yoghurt.

Top and tail the gooseberries. Rinse them and put them into a casserole with a tablespoon or so of water. Sprinkle on the orange blossom water, cover tightly and cook gently at 300°F (150°C) gas mark 2 for 50 minutes or until the fruit is perfectly tender. Stir in the sugar, process to a puree and cool completely.

Freeze the cold puree in a chilled loaf tin until firm round the edges and semi-frozen in the middle. Turn it out, beat it with a whisk until smoothly then fold in the chilled yoghurt as delicately as you can. Freeze the mixture for about 1½ hours. Whisk it again. Pot it in chilled petit pots de chocolate or demi-tasse coffee cups and refreeze until solid. "Ripen" briefly in the fridge before serving.

Alternatively, simply stir the cold fruit puree into the chilled yoghurt, pour the mixture into an ice-cream making machine and freeze-churn according to manufacturer's instructions.

Philippa Davenport

## BRIDGE

MY FIRST hand from rubber bridge set the declarer a problem:

N	E
♠ A J	♠ 9 8 3
♥ A 8 3	♥ A 10 4
♦ A 10 4	♦ J 7 5

W	S
♠ K 8 7 2	♠ 5
♥ 7 6 4	♥ K 5 2
♦ 10 3	♦ K 8 6
	♦ 9 6 4 2

N	E
♠ Q 10 6 3	♠ Q 10 9 5
♥ Q 10	♥ K 5 2
♦ K 7	♦ K 8 6
♣ A 8	♣ 9 6 4 2

South dealt at game to North. South had 18 points, North jumped to six no trumps - his three aces making up for the missing point - and all passed.

West led the heart six, taken by the king, and East switched to the two of clubs. Winning with his ace, declarer played a spade and finessed the knave - that had to be tried. When the knave won, South, who assumed that the club queen was with West, planned a squeeze against West. But with no club entry on the table no ordinary squeeze was possible - it had to be the Crisscross.

He could see 11 tricks, and had already lost one, so the timing was right.

Cashing queen and knave of hearts, he followed with four rounds of diamonds, throwing the low club from hand, while West parted with the seven of spades. At this stage South holds Q 10 6 of spades and the club king. West has K 8 of spades and Q 10 of clubs, while dummy has spade ace, heart ace, and J 7 of clubs.

Declarer played dummy's heart ace, on which he threw the spade six from hand, and West was squeezed. If he discarded a spade, declarer cashes the ace, crosses to his club king, and scores the queen of spades; if West throws a club, South will cross to the club king, return to ace of spades,

and score the club knave. My second hand shows declarer making an early mistake:

N	E
♠ K 2	♠ Q 10 9 8 3
♥ K 7	♥ J 5 3

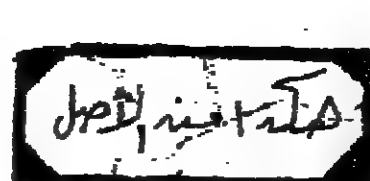
W	S
♠ Q 10 9 5	♠ 8 7 3
♥ K 2	♥ 9 6 4 3
♦ 7 4	♦ K Q 6 4
♣ 10 8 2	♣

At game all South dealt and bid one no trump, and North's raise to three closed the auction. West opened with the spade queen, the king won, and the diamond three was played. Taking at once with his ace, East returned a spade, the nine won, and the knave was led to clear the suit. The declarer ran four diamonds, then led the heart queen, and finessed. West took with his king to put the contract down.

The contract is not secure. If West has heart king and diamond ace there is no hope, but South must assume that the two key cards are divided. Furthermore it is vital to try the heart finesse before he touches diamonds. Why? Because the heart finesse runs into the danger hand. West wins, leads another spade, and South must withhold his ace for one round, then lead a diamond. As East has the ace, he makes his contract.

As the cards lie, South can recover from his error by an endplay. He wins the third trick with his spade ace, and runs four diamonds. West has to throw a heart and two clubs. Declarer crosses to his ace of clubs, and throws West in with a spade, forcing him to lead into the heart tenace at trick 12. But that is double dummy.

E. P. C. Cotter





# TEST DRIVE THE PEUGEOT 405 NOW



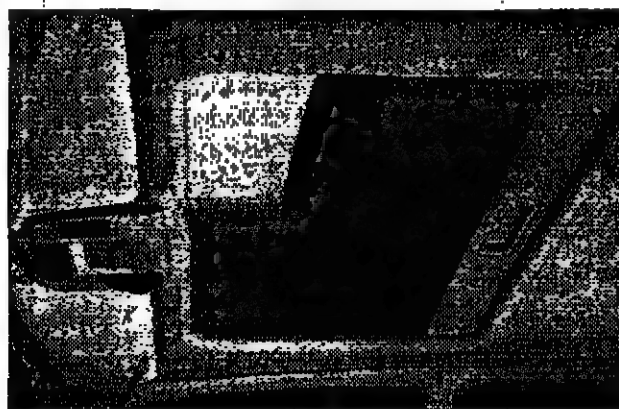
## FOR THREE SOUND REASONS.

THE SOUND OF...



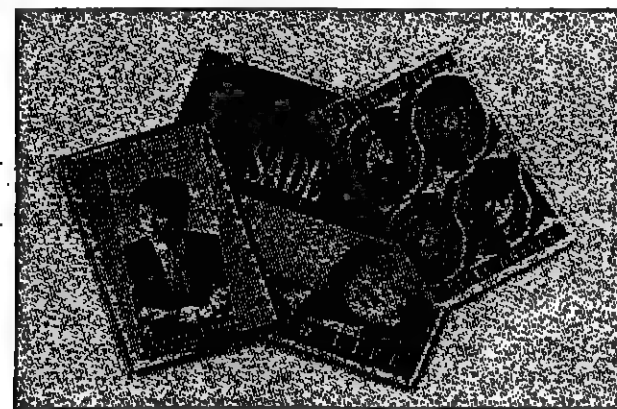
THE REMOTE CONTROL  
CENTRAL LOCKING.

THE SOUND OF...



THE ELECTRIC  
SUNROOF.

THE SOUND OF...



YOUR CHOICE FROM THE  
TOP 100 CBS ALBUMS.

And these are just a few of the sounds to savour when you test drive a Peugeot 405 GL or above. You'll also hear the soft yet purposeful purr of the 1.6 or 1.9 litre engine letting you know that they are both designed to deliver optimum power and torque. There's the satisfying sound of the tilt adjustable steering column; the firm click of the lock on the height adjustable front seat belts and of course there are the rich tones of the security coded 6-speaker radio cassette player. No wonder the Peugeot 405 sounds like the perfect executive choice.

But perhaps what's most impressive of all when you test drive a Peugeot 405 isn't what you hear, it's what you feel. It's that incredible sensation you get when you drive the car that is widely acknowledged as having the best and most responsive ride and handling qualities of any car in its class.

And if that weren't enough, there's even more to tempt you. Ring the free telephone number straight

away or send off the coupon to arrange your test drive at your local Peugeot dealer. We'll send you a voucher that entitles you to choose either two free cassettes or one free compact disc from CBS's top 100 albums. Sounds like making the executive choice of a Peugeot 405 couldn't be easier.

CALL TODAY TO ARRANGE YOUR TEST DRIVE

# 0800 800 405

24 HOURS

### OR RETURN THIS COUPON.

Return coupon to:- Peugeot Talbot Motor Company Ltd., 405  
Test Drive, FREEPOST TK 898, Brentford, Middlesex, TW8 8BR.

NAME \_\_\_\_\_

ADDRESS (PRIVATE/BUSINESS) \_\_\_\_\_

POST CODE \_\_\_\_\_

PRESENT CAR \_\_\_\_\_

REG. \_\_\_\_\_

PREFERRED PEUGEOT DEALER (IF KNOWN) \_\_\_\_\_

FT



PEUGEOT. THE LION GOES FROM STRENGTH TO STRENGTH.

## PEUGEOT 405

MAKE THE EXECUTIVE CHOICE.

ALL DETAILS CORRECT AT TIME OF GOING TO PRESS AND SUBJECT TO AVAILABILITY. 405 M16 AND 405 M16x4 EXEMPT FROM OFFER. CAR ILLUSTRATED PEUGEOT 405 GTX. OFFER CLOSES 31ST AUGUST 1990.



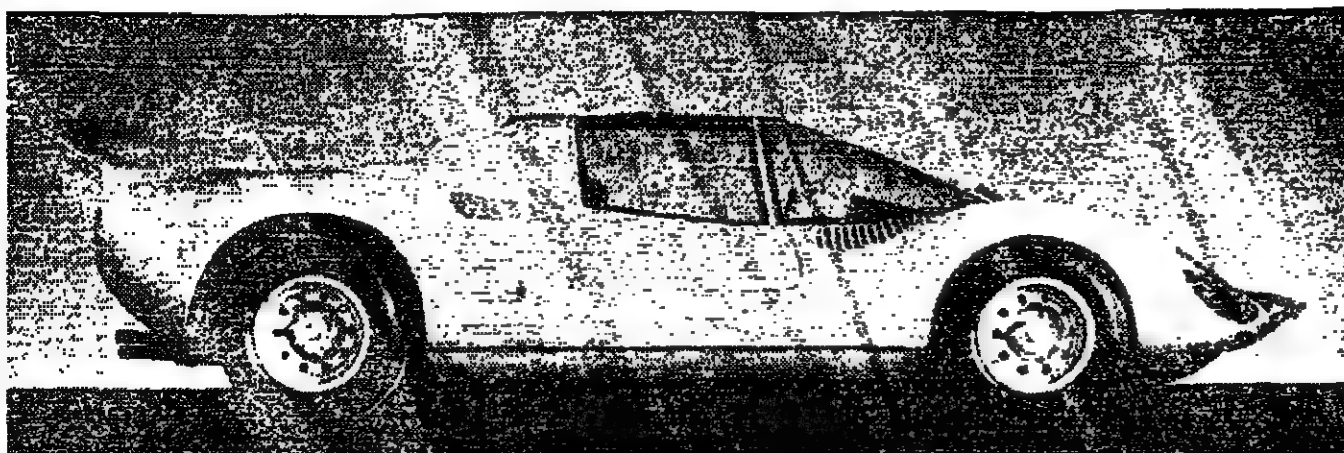
MOTURING

FLORENCE IS pitiless in testing the limits to the visitor's physical energy and appetite for cultural delicacies. As if its own artistic and architectural endowments are not sufficient, it is constantly adding new dishes to its menu. June has seen the unveiling of two stupendous attractions: an exhibition of canvases by one of its first great Renaissance artists, Masaccio, and, much more improbably, L'idea Ferrari.

It was a stroke of genius of the city fathers to invite Italy's most celebrated auto name, now owned by Fiat, to organise an exhibition to tell the story of the making of one of the world's most famous post-war myths, and entirely appropriate that it should have opened in the same week this month as the Masaccio. For the modern Ferrari road and racing car is very much an expression of that Italian bottiga tradition, borne of the Renaissance, which saw works of art produced in small workshops, often with the aid of apprentices whom the themselves went on to attain master status.

There may be some who are ready to debate whether the motor car can be regarded as a work of art, notwithstanding the fact that its external appearance has done more to develop popular appreciation of the marriage of design and colour to functionality than almost any other product of the industrial age. Those who wish to be convinced that the assemblage of beaten metal above four wheels can represent artistic beauty should go to Fort Belvedere in Florence.

One does not have to be a Ferrari enthusiast to appreciate how the exhibition's architects have used Florence as a frame for displaying in the open air nine of the most celebrated models to have carried the famous prancing horse badge. Fort Belvedere, conceived by Giovanni di Medici and built at the end of the 16th century as both a bastion against enemies and a base for controlling the city, stands on a steep hill just outside the



The magic of Ferrari... on show for fans of classic engineering

## Enzo's art goes on display

John Wyles finds a blood-red legend in the Florentine hills

centro storico with incomparable views of Florence below. Each car has been housed inside climatized crystal glass cubes, and these are perched in groups of three close to edges of the vertiginous hillside.

The vehicles thus appear to float above the Florence skyline in a marriage of ancient and modern beauty which is at its most stunning when one stands about 15 feet back from the cube containing the 1969 250 Testarossa. Looming behind the blood-red open car, with its swooping racing lines, is the darker, rusty cupola with which Brunelleschi crowned the Duomo. The image burns itself into the memory and was not diminished one whit by the cloudy and wet conditions which marred the press showing.

The development of the Ferrari myth owes much to the collaboration between its extraordinary founder and motive force, the single-minded Enzo Ferrari, and Pinin Farina, the Turin designer. Body panels for many of the prototypes were beaten on full-sized wooden masks of Pinin Farina

design and several exemplars of these masterpieces of carpentry also stand in the open, grainy progenitors to the sleek sculptures in their nearby cubes.

These include a 1949 "Barchetta" touring car, so called because of its resemblance to a small boat, whose derivatives were to have several successes in the Mille Miglia round Italy road races, a 1950 Berlinetta, a closed touring car whose lines in no sense betray their origins of more than 40 years ago, and a famous 1964 250 GTO whose brothers now fetch millions of pounds at auction.

Ferrari's first interest, obsession rather, was in producing racing cars, both the specialised formula one grand prix models and sport prototypes. Successes on the track bred demand for the latter among rich "gentlemen drivers", whose custom was crucial in financing Ferrari's early racing programmes.

Examples of the detailed design work which went into producing Ferrari prototypes and their famous 12-cylinder engines are displayed in 14

rooms inside the Fort. Here the technical enthusiast can pore over the intricate engineering pencil drawings which were the embryos both of world championship-winning formula one cars and of sports models. These were frequently produced in short series for private owners whose demand to ensure a three to four-year waiting period for the three road cars in production.

Ferrari described himself as more an inspirer of men than a technician. Those who have wanted to excel for him include most of the giants of post-war motor racing from Ascari and Novallari to Fangio, Surtees and Lauda. The technical leaps in racing car design made over the past 40 years can be seen at the exhibition through the front-engine 1952 Type 500 with which Ascari won the world drivers' championship, the rear-engine 512 with which Surtees won the 1964 championship and the 1989 640 driven with more modest success by Nigel Mansell. Ascari was sitting upright in a metal shell which exposed all

his upper body and required him to splay wide his legs to find accelerator and clutch.

Driver protection was virtually non-existent: no seat belts, no shock-absorbing car body shell and, of course, no steel barriers on the track. Mansell was reclining in a racer with automatic gear change made of advanced materials in service of a design whose strength he has involuntarily tested against solid barriers on more than one occasion.

Increasingly reclusive in his modest office at Maranello near Modena, Enzo Ferrari presided over all of these and many other revolutions until his death at the age of 90 in 1988. The opening pages of the exhibition's excellent catalogue contain one black and white picture of the young Ferrari behind the wheel of a 1920 Alfa which he had raced in the Targa Florio. His expression is one of sublime happiness. The man's dedicated search for fulfilment has now found an ingenious and posthumous expression on a Florentine hill-top. L'idea Ferrari runs until September 30.

## The winning wedge

Stuart Marshall test drives Vauxhall's new Calibra coupe and comes away impressed

Vauxhall must be on to a winner with the Calibra coupe (pictured below) which has just gone on sale in Britain. It is based on the highly successful Cavalier that is sold on mainland Europe as the Opel Omega.

The Calibra's wedge-shaped styling with slit-eyed headlights is aerodynamically efficient as well as visually pleasing. So efficient, in fact, that it creates less fuel-consuming drag at motorway speeds than any other regular production four-seater in the world.

For all its low-slung good looks, it really is a four-seater, not a cramped two-plus-two. Full-sized people find it has reasonable legroom in the rear, provided the front seats are not shoved right back, although a tall person's head comes just under the sloping window. For extra carrying capacity, the generous load space can be doubled in size by letting down the back seat.

The engine is a fuel-injected, 2-litre, 4-cylinder with a catalytic converter complying with the most stringent emission standards.

There are two versions. One has two valves per cylinder, but puts out 115 horsepower at 5,200 rpm and develops maximum torque (that is, pulls hardest) at only 2,600 rpm. The other, with four valves per cylinder, develops 150 horsepower at 6,000 rpm and maximum torque at 4,800 rpm. This engine is also used in the Vauxhall Astra GTE and Cavalier GSi.

I tried a Calibra with the sporty, multi-valve engine in southern France last week. In early June, traffic between Monaco and Nice isn't yet humped to bumper, but crowded enough to make ease of driving and flexibility more important than claimed maximum speeds and minimum acceleration times. For the record, they are 139 mph (224 km/h) and 0-62 mph (0-100 km) in 8.5 seconds.

The driving position behind the small, leather-covered steering wheel felt made to measure, the gearshift quick and easy. It was as relaxed to drive as a family saloon. Later, away from the over-developed coast, I enjoyed its taut, well-

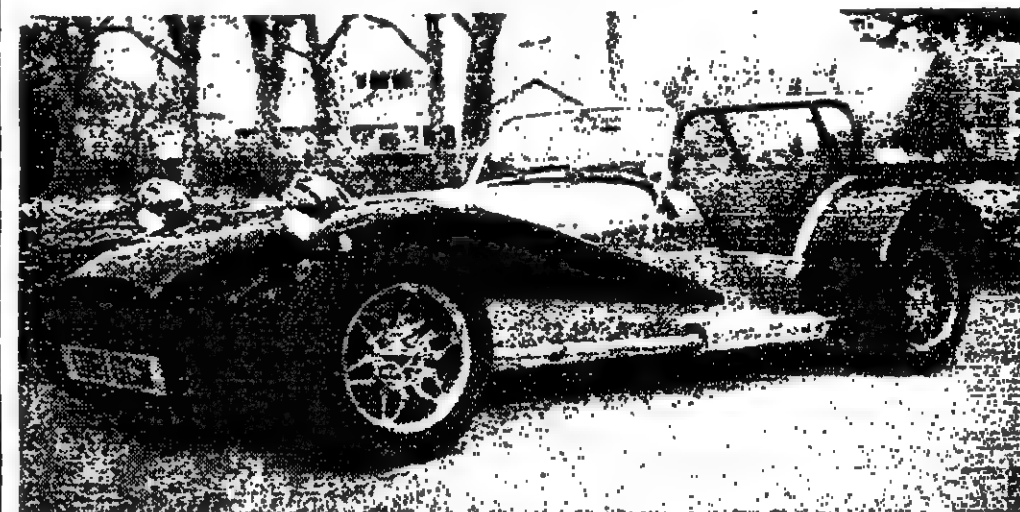
balanced handling on hilly minor roads.

Three Calibra models, all with nicely weighted power steering and the same trim and equipment levels, are now available at £14,750 (the 2.0i manual), £15,250 (2.0i automatic) and £17,250 (2.0i 16v). A 2.0i 16v 4x4 with permanent four-wheel drive will be here by late autumn at £18,890 and a 16v automatic will follow, though probably not until 1991. Vauxhall plans to sell 5,000 of them this year, between 12,000 and 15,000 next year. The sporty but practical coupe class it occupies has been declining of late but the Calibra's arrival will surely change that. Ford may well have cause to regret having no saloon-based coupe to succeed the Capri, the car that, over 20 years ago, started it all.

Calibra will be up against the Audi coupe (from £16,289), Honda Prelude (from £12,380), Nissan's £18,096 turbocharged 200SX, the £17,300 Toyota Celica - Vauxhall's main rival - Volkswagen Corrado (from £16,991) and Volvo 480 (from £14,085). It must do well.



## A home-made machine Mr Toad would adore



The Caterham Super Seven: a build-it-yourself sports car

WHAT WAS first made in 1957, has a space frame chassis, an aluminium two-seat body, is usually sold as a kit and, ready for the road, is worth more than it cost.

The answer: a Caterham Super Seven, previously known as the Lotus 7 and, in the view of some enthusiasts who have built them, quite possibly the ultimate kit car.

One who has no doubts is Richard Russell, of Sandfield Park, Liverpool. Like many of today's motorists, Russell normally drives a hatchback but finds performance cars fascinate him.

"It is easy to be sensible and settle for a car that transports me with great efficiency and numbing blandness," he says. "Inevitably, the old feeling returns. I can identify with Mr Toad in *The Wind in the Willows*, crying 'Poop! Poop!' as he watches some fantastic vehicle thunder by."

After flirting with the idea of buying a Caterham Super Seven for some months he finally succumbed at an Oulton Park race meeting when he had a chance to see one close up.

"To call it a kit car doesn't do justice to such a beautifully made vehicle," says Russell. "It was a shock to be confronted by such perfection in engineering."

Having ordered one, he then had to wait six months, during which he found, bought, renovated and tuned a Ford 1800 cc ohv engine. By using a second-hand engine the 10 per cent Special Car Tax is avoided. The car isn't classed as new and a registration number is issued.

Finding one was surprisingly difficult although they were made in large numbers for Cortinas, Escorts and Capris. Now they are in such great demand by kit car builders that they are scarce.

Russell tracked one down at last in a scrapyard and rebuilt it like new. He comments: "The Special Car Tax I saved was won by extremely hard labour and the frustrating pursuit of spare parts." He had the satisfaction of knowing the engine was built to the highest standards. But it was so time consuming that if he built another kit car, he would think hard about the wisdom of using an old engine to save tax.

Only when he arrived back home in the hired van in which he had driven 400 miles to collect the kit of the Super Seven from Dardford, Kent, did he appreciate what he had taken on.

Apart from the body/chassis unit, to which windscreen, wiring and brake lines were already fitted, there were 10 large cartons full of components. Many were supplied as individual parts that had to be made into sub-assemblies before adding them to the main body unit. The factory said assembly should take about 120 hours. Russell, more interested in

The Super Seven turned out even better than he had hoped. "It's the most exhilarating car I have driven," he says.

It was awkward for a six-footer to get into but fine once inside, with the transmission tunnel keeping him in place on corners. "It is so low that Minis tower above me but visibility is good, especially with the hood down."

The Ford 1800 cc unit delivers 135 horsepower, pulls very well from 2,000 rpm and allows instant overtaking. "I need only use half its potential performance to keep up with normal traffic," Russell says. He is not so keen on the noise from the engine air intakes which can make long journeys tiring though it is better with the hood down when the noise is blown away together with the wind.

His biggest surprise, after the outstanding performance and roadholding, was the way the Super Seven attracted friendly, enthusiastic comment from strangers.

A few weeks ago someone made him an offer he couldn't refuse and he sold the Super Seven for £11,650. The kit had cost about £10,000. On the face of it, that was a profit of £1,650 - but it takes no account of 140 hours of labour plus all the time spent tracking down an engine.

From his experience, one would hardly get rich on the proceeds of building and then selling kit cars.

However, Russell seems to have caught the bug. He is now looking at another Super Seven, this time with a painted, not plain aluminium, body - and a heater. His car lacked one and was, it seems, a bit too chilly for comfort.

### Stuart Marshall on the delights of building the ultimate kit car

quality than time saving, spent 140 hours putting his Super Seven together and says he enjoyed every moment of it.

Before the car could be registered it had to pass an MOT test and the last hurdle was insurance.

Most major companies will not cover kit cars. Russell knew the Super Seven was rated Group 7. Even so, the first quotes shocked him. But, rather than waste time shopping around for better ones, he paid up to get the car on the road.

Comprehensive cover cost him £241 (more than 6 per cent of the cost of the kit) and that included a 60 per cent no-claim bonus. Nor is he that pet hate of the insurance industry, a young sports car driver, but a highly experienced 45-year-old with a good record.

**MOTOR CARS**

**(1991) E-TYPE JAGUAR 3.8**  
FIXED HEAD COUPE,  
MANUAL TRANSMISSION

A superb example of this classic sports car after A 'No expense spared' restoration

Please contact Mr Keith Wharton  
Oxford (0845) 244833  
PRICE: P.O.A.

JAGUAR V8 - 8 weeks old, 100% original, interior, magazine with red trim. Offers in the region of £25,000. Tel: 0252 264922.

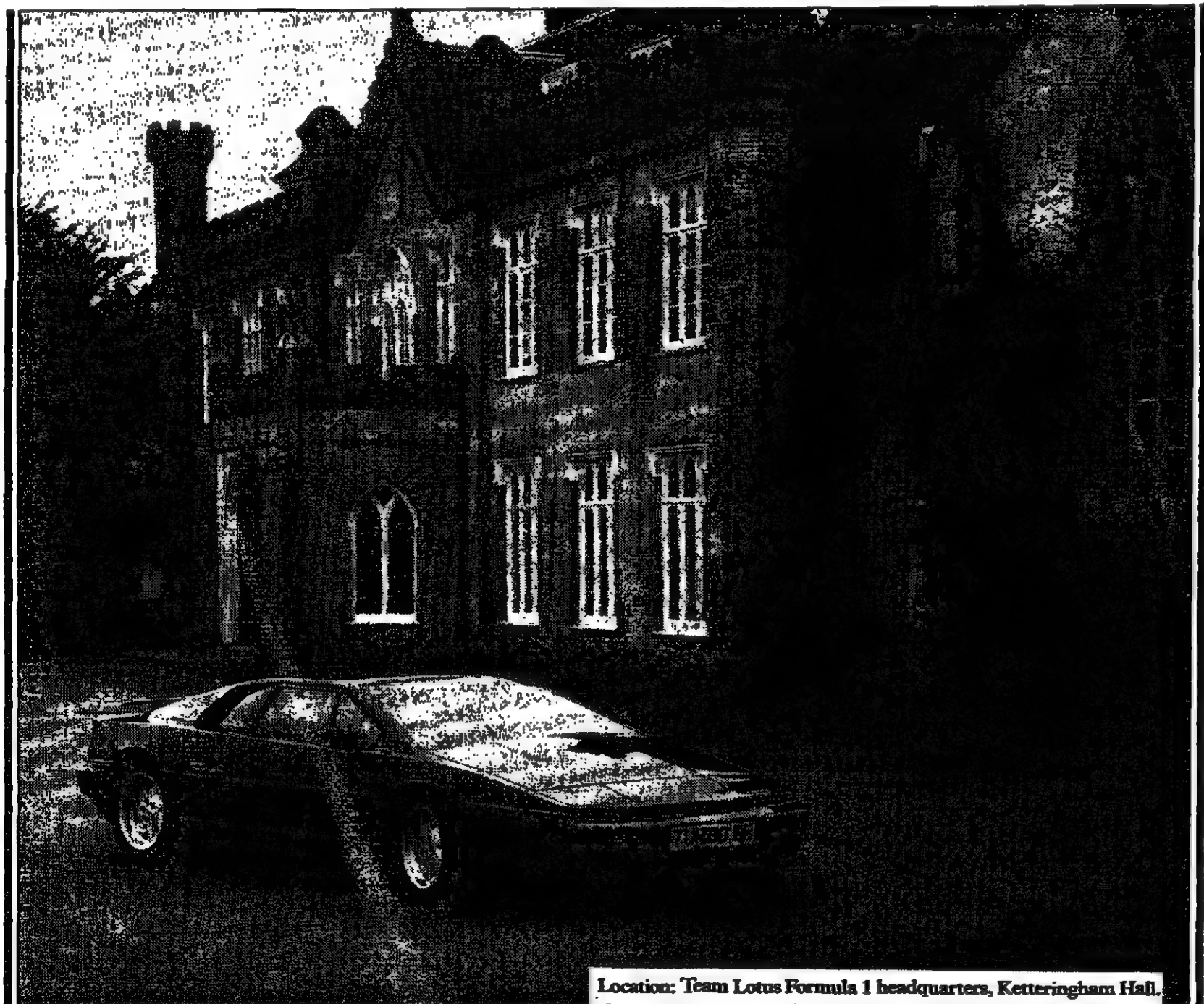
**1989 F.R.G. LOTUS TURBO 3.**

Red with two tone cream leather. Full spec. Car with RVC alarm + central locking. 11,200 miles. Main dealer. Serviced history. Car as new £22,000 for quick sale.

Tel: 081-303 0017

SAAS IN WARRICKSHIRE offer proven delivery of new Saabs and previously have the largest selection of used Saabs in the Midlands. Linn Garage, Ryde, Leamington Spa. Tel: (0845) 420221.

SAAB 9000 AUTO WHITE TURBO presented in excellent condition, with 107,000 miles, 12,000 miles warranted. £15,500.00 Tel: 09252-21085



Location: Team Lotus Formula 1 headquarters, Ketteringham Hall.

## British racing and green.

Britain's new chargecooled Lotus Esprit Turbo SE produces 264 bhp and reaches 60mph in 4.7 seconds, on the way to a possible 163 mph, where conditions and regulations allows.

Speed, however, should never be the ultimate goal. Racing experience, gained over 40 years on the circuits of the world, has enabled us to develop still further our celebrated chassis, suspension and brakes.

And in keeping with the times, the Lotus engine in this latest addition to the Esprit range employs unique new technology and a catalytic converter for a cleaner, quieter environment. The engine accepts only unleaded fuel and comfortably meets the toughest noise regulations in the world.

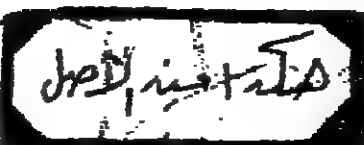
This brings a whole new meaning to British Racing Green. Handling performance and style.



The Lotus range includes the mid-engined Esprit from £30,700 to around £45,000, the Elan and the Elan SE from under £20,000 and the four seater Excel SE and SA (automatic) from £26,400 to around £30,000.

For a test drive with your nearest dealer or for a brochure call the Lotus Brochureline on 071-253 7073 (24 hours).

Lotus Cars Limited, part of Group Lotus PLC, Hethel, Norwich, Norfolk.





## GARDENING/OUTDOORS

## Robin Lane Fox reports on the growth in 'designer pots'

### Advance of the terracotta army

HERE IS no escape, this week: here is one for you all. Anyone can try it, even if they are stuck in London or sitting in a taxi-haven, waiting for something to happen. You all have enough room; you will probably be much better at it than I am; the state of the art is going your way.

The art is gardening in pots. I promise you no jokes, no pot-crazy comments and only one pun. The subject is serious and I have just seen it beautifully treated. I blush to look at my two huge terracottas, mounted on concrete blocks, underplanted with young green box and austere white privet, which is making slow progress. Imaginative gardeners would have gone wild with them.

The art is to over-do it, while

mer's profusion; the country's best specimen of white Carpentaria Ladham's Variety was in full flower and the planning and planting of a husband-and-wife team during the past 40 years was looking enchanted.

The Merton method with pot gardening is dramatically simple: pack them in, standing room only. Mercifully, she never ran London Transport, although she would have brightened up the Underground if they had given her free rein.

In recent years she has been planting pots with a panache which breaks all the rules. She began to visualise them with three separate tiers of height. In the middle, she would put something as much as 5 ft high, a tall Abutilon or a group of summer lilies (the yellow-flowered citronella forms are one of her favourites).

Then comes the inner ring, the Chelsea or Notting Hill to the central feature: Mrs Merton likes particular focal points, especially Little Hobby and Tom West. Over the edge come the sprawling outskirts, the Wandsworth or Acton, except that they are a mass of verbenas and daisies and ivy-leaved geraniums.

I would never have dared to over-plant so outrageously: at the Chelsea Show there were hanging baskets with a hundred violas in each, which keen gardeners longed to liberate. Mrs Merton finds that over-crowding works well if you add plenty of mature or fertiliser to a well-drained John Innes Number One compost. She also uses perlite and some peat to hold water: every week, she feeds each pot with a liquid fertiliser (Phosfotren would be excellent). She shredded pig manure, she thought, would be



London Mager, a gardener at the Old Rectory in Burghfield, tends to some of the plants

sensational: so would the smell, but my heap of it still needs a home.

Pots, therefore, should be seen as jungle landscapes which can take a mass of heights and colours. One Merton container appears to hold the following: three citronella lilies, three green-yellow Hail-chrysanthemum, which match the strong yellow edging on the leaves of an Agave (the gift of a neighbour), five Verbena Loveliness, three daisy-flowered yellow Bidens, one Abutilon Canary Bird, one white Hosta plantaginea (which is scented), two pale yellow daisies called Argentanum Jamaican Primrose, one Tibouchina, and two Euphorbia Mellifera.

Twenty-two plants fill one container, which is about 2 1/2 ft wide: Mrs Merton emphasises the decision to go from 18 to 27 in diameter. It may sound haphazard, but it is all planned with the most sensitive care. In the early years, Mrs Merton experimented with her admirer, Susan Dickinson, whose training had begun at Sissinghurst. Together, they worked out colour-schemes within each pot and also schemes between pots, about 10 ft of which line the front terrace alone.

I found it all an eye-opener. Here were 10 separate gardens, side by side, any one of which could be transplanted to someone's garden. It was a world where non-green and unpleasant, Hong Kong perhaps, or an Arab Emirate. Mrs Merton has gardened for years in France, where she feels that she learned the knack of these plantings. The best hope of brightening an ex-pat garden in late summer is to see that it is not ex-pot.

Perhaps you are busy on June 27 or on future Wednesdays. If so, you can gain an idea of the results in a book which also opened my eyes: Jim Keeling's *Terracotta Gardener* is just available from Headline publishers, price £14.95. Mrs Merton starts the text rolling and other skilled contributors add to the style.

Jim Keeling is the founder-owner of Whichford Pottery, Shipston-on-Stour, Warwickshire (telephone 0608-84416), and is the natural answer to everyone's question: "Where do you find the pots?" He makes them himself with that particular blend of devotion and obsession which fellow sufferers in other fields will recognise. Keeling is a prince of post-modernist pottery for gardeners; he names some fellow princes, affectionately, but his own range is marvellous, from

Cretan jars to ribbed Italian terracottas. Mrs Merton has used them for years and swears by their standing in cold winters. Machine-made terracottas will merely split in a hard frost.

I will be returning to the pot-question in other weeks. Meanwhile, the book, the photos and my visiting have set me off on a new pursuit. It has to be better than fishing dead moles from the swimming-pool. The beauty of it all is that the style is only just beginning; small nurseries have sprung up, selling masses of the half-hardy plants which propagate easily and flourish in a pot-crowd; Keeling and his fellow-princes are turning out what gardeners want. Anywhere, you can make your own fantasy landscape and, when you sell the house, this one at least you can take with you.

## Arthur Hellyer with a mid-season spot check on his garden

### Half-time and doing well

THOUGH I have heard many complaints from garden owners about the damage caused to their plants by drought I have suffered none in my own, which is in Sussex. For that, no doubt, I have in part at least to thank my close textured, moisture-retentive soil, but nevertheless I suspect that a good deal of the anxiety has been exaggerated.

On the whole dews have been heavy this past spring and plants always manage to absorb a lot of moisture from this source via their leaves. It is wise to remember that when watering is restricted because of partly by spraying plants especially in the evening and partly by maintaining a loose soil covering at all times, it is possible to keep plants growing much longer than one might expect.

Almost anything can be used as a mulch: compost, chipped or pulverised bark or grass clippings are all excellent. Surface hoeing is just as good and even more efficient in keeping down weeds, which are great thieves of water and plant food. And this costs nothing except time.

My interim report on the garden is that it has been a good season except for the early storms and the short period of severe spring frost.

As I travel I become increasingly convinced that the total amount of tree damage caused by the winter gales was greater than that done by the much more publicised single hurricane which swept the south-east of England in October 1987. These January and February storms were far more widespread and yet extraordinarily concentrated in some places. I have seen gardens in which cedars have suffered more severely than I have ever encountered before: huge limbs being ripped from trunks and beautiful old trees rendered useless.

In some places this damage cannot be repaired in a lifetime. But it is to be exaggerated, and one of the lessons of 1987 has been the speed with which many landscapes have been repaired, not to what they were previously but to something new that is already pleasing and full of promise.

Despite the April frost I have had a reasonable crop of apples and shrubs are also recovering better than I expected. At one time I did not expect to see any flowers this year on the slightly tender varieties of Hydrangea macrophylla, what most people first think of as hydrangeas when the name is mentioned. Though my bushes seemed to have lost all their upper growth buds and to be sprouting solely from the base, nearly all new growth layers of growth, one very sturdy from low down, the other much more backward but rap-

idly gaining in vigour and higher up. It will be interesting to see how much of this is flowering in August.

Since I ceased to grow vegetables and soft fruits because of my advancing years I have picked my own from the village market garden. At the moment it has bumper crops of gooseberries and broad beans, and I was picking first-class strawberries by June 3.

It always puzzles me why soft fruits growing in this market garden are so little damaged by anything. They are totally unprotected, though I always used every device I could think of to keep the marauders at bay. I imagine it must be that birds, squirrels, etc., just get bored with such a surfeit of one thing and go off to look for a greater variety.

In March when everything seemed to be rushing to bloom at once, I began to wonder what would be left for May. I should have known better. It all slowed down and I still had apple blossom out during the first week of June, which is about my usual finishing date. As always it was on Crawley Beauty, a local apple which is the last to flower in my garden and is a wonderful sight in the orchard since it misses all the frost. I grow it for the sheer pleasure of seeing its flowers when all the other apple blossom has gone and also for looking at its fruit-laden branches well into the winter. I rarely bother to pick it since the fruit only makes good size for a very small number of people and is scarcely worthwhile as the quality is poor.

I have been pondering this levelling up in timing in an otherwise exceptionally early season and have concluded that plants differ greatly in the way they respond to control their calendars. Some depend largely - maybe exclusively - on temperature, but many more depend on day length, a fact well-known to those who grow crops in glasshouses.

Day length can be the most confusing controller of all since for some plants it operates one way and for others in precisely the opposite direction. Strangely, it can have this two-way effect on different varieties of the same genus.

The osteospermums, of which Robin Lane Fox was writing recently, are likely to flower all summer if they are white flowered, but take a rest during July and August, may even September, they are purple flowered. Now the chase is on to get rid of this awkward idiosyncrasy by breeding, and some successes have already been achieved. A deep purple variety named James Elliman received a Fellowship from the Royal Horticultural Society and there are others around. We need a trial to sort out the best.

## Clive Fewins on the sad fate of a college tradition

### Oxford's lost barges

THE OXFORD college barges, the glory of Eighties week and monuments to an age of elegance, have seemed in recent years to represent another of the university's fading glories.

But despite severe setbacks, a group of dedicated enthusiasts still hopes to restore some of them to the banks of the Isis, from which generations have cheered their rowing crews to greater exertion to bump the best boat in the Eighties Week, or "The Bumping Races," held this year from May 23, has been an integral part of the Oxford scene since 1815, when groups of undergraduates from rival colleges used to race each other back to Folly Bridge near the centre of the city after an evening out at a riverside inn down the river at Sandford-on-Thames. Crowds would spur on their college crews to "bump" each other's boats. When a crew "bumped" the boat ahead, it replaced it in the starting order next time they raced. The top crew would be named Head of the River.

The riverside frolics, the bump supports and college quad bouffies still continue much in the old tradition.

However, the college barges, ornate floating pavilions that added colour and character to the river for the best part of 100 years - are now missing.

Dating originally from the early 1800s, they were needed on six London guild barges brought to the university city about 10 years earlier. No other university followed suit, and right up to the building of the last one in 1930, the 26, all very different, lay moored on the Isis, admired by visitors from all over the world. But in the 1950s and 1960s colleges found it more convenient to build boathouses with luxuries such as showers, and one by one the old barges were towed away to rot in backwater moorings.

The last college barge, originally belonging to Wadham College, was removed in 1973. But before this, in 1967, a group of undergraduates had formed the Oxford College barges preservation trust, dedicated to restoring and returning a handful of these lovely craft to the city.

The object was to ensure they stayed there in perpetuity and, if possible, to turn one or more of them into a floating museum dedicated to the his-

tory of Oxford rowing. However, despite a 21-year effort, their successors managed to return only one barge, the Jesus College vessel, to its original riverside setting in 1988.

There was at the time much talk of bringing back more barges in an attempt to recreate a little of the opulent atmosphere of the 1800s. That was the era in which the college barges lined the banks of Christ Church meadow like something between a Venetian canal and Cleopatra's navy.

They were immortalised in Max Beerholm's *Isis* de siècle novel, *Zuleika Dobson*, in which a generation of young bloods leapt to their deaths from the barges for the love of the exquisitely vain and empty-headed beauty.

But all the hopes of reviving that former glory came to an end in 1969, when the Jesus barge was wrecked in a £75,000 fire, almost certainly started deliberately. The Jesus barge, together with the Balliol vessel, now both in private hands, lies in a boatyard at Sandbury-on-Thames awaiting restoration.

The fire was a big setback to the trust's plans, and a further blow befell it a year ago, when Robert Macoun, an elderly American nautical engineer who had arrived in the city in the late 1920s, died. He had decided to stay on as unpaid chief engineer for the trust and had been working on the restoration of the Hertford College barge, having successfully restored and refloated the St John's Queens and Corpus Christi barges.

Macoun, who was brought up on the New England seaboard, was completely taken up with the cause. He saw the barges as the last survivors of a tradition of naval architecture that had lasted from ancient times to the days of Nelson.

He lived on a houseboat in a tucked-away creek called the Kidney Stream that also served as his boatyard. When he died he left £40,000 to the Trust, which is spending the money

on restoring the Hertford barge, now in a boatyard at Chertsey, Surrey.

Despite this, chairman Dr Thomas Charles-Edwards doubts if the trust will have "enough to pay for all the work," as the Hertford barge, built in 1911, has a unique design in the classical style - it looks like a miniature Greek temple - and a wealth of decorative wooden detailing.

"If we appeal to the colleges for financial help I'm not sure we shall get it," he says. "Restoring decorative barges is a luxury colleges can't afford nowadays." Moreover, the problems of security in modern vandalism-ridden Oxford are enormous.

The last remaining college barge, built for Corpus Christi in 1930, lies in the creek where Robert Macoun restored it and provides a home for three undergraduates from Corpus Christi College. It could do with a coat of paint, but it is in use and guarded by its residents, despite having been broken into three times already this year. To some it is rather a lonely, forlorn sight, but to the trust it represents success - after all, less than a mile downstream lie the remains of two more college barges that will never float again.

Of the other 10 or so college barges known still to exist most are either hired out by companies for corporate entertainment purposes or are being slowly restored by their private owners.

It was Victorian poet Matthew Arnold who described Oxford as "The home of lost causes and forsaken beliefs." The trust's valiant efforts over the past 23 years make that phrase still ring true.

## Country View

### Pool resources

#### A garden spring could save you a fortune, says Michael Stourton

ANYONE thinking of installing an outdoor swimming pool should consult at least one swimming pool owner before going anywhere near a supplier of pools.

The person consulted should be someone renowned for his objectivity. He, or better still she, should have been an owner for not less than two years, preferably longer. Let him tell you not about those two - or was it three - glorious days around the pool the summer before last, but about the complete swimming pool scene over 12 months.

How the frost cracked the tiles, how poor Patch became enveloped in the solar blanket, how dreary the pool looked throughout the winter, how the work referred to by the supplier as "just routine maintenance" seemed like a life sentence of repairing the electric pump, vacuuming, filter changing and adding chlorine to taste, and how the heating bill was so large that dear Darrel thought it must have been for the whole house, not just the pool.

There may be an alternative to spending something between £7,000 and £30,000 on an in-ground pool; an alternative that will be available to by no means everyone living in the country but available, nev-

ertheless, to more people than one might think. An alternative that involves no heating costs, virtually no maintenance, no danger to the dog and a visual asset throughout the year.

All one needs is a natural water supply and space to dig a hole in the ground. The mere trickle of water will suffice. A spring is ideal.

Swimming nose-to-nose with colourful dragonflies and snuffing summer scents at marsh-marigold level are experiences cheap at the price of hiring a drag-line to excavate a pool of the size, shape and depth of your choosing. The excavated soil becomes your dam.

Swimming in a natural pool is of course restricted to warmer weather but at other times the pool will provide you with trout fishing and opportunities for creating a water garden.

The one question everyone asks is how one avoids getting one's feet muddy on entering or leaving the pool. No problem, as they say. You construct a small timber jetty with steps down to the deeper water. The jetty serves also as a diving platform.

It's all so simple. And, best of all, you'll be talking in terms of spending hundreds rather than thousands.

THE Soviet Union is the world's strongest chess country, and tournaments staged in the USSR have a reputation as graveyards for visiting players. Defeated grandmasters trail back to the West with awed reports of their favourite opponents' earlier successes and training for each Russian entrant.

If you did manage to be well placed, offboard tactics could be a hazard. Robert Byrne, in contention for a high finish in the 1978 Leningrad Interzonal, was regularly woken in the small hours by vigorous construction work in the room above.

Soviet supremacy was enhanced by the reluctance of leading Western GMs to accept invitations to play in the USSR. Larsen's comment that "my mortgage company doesn't accept royalties."

Nigel Short's victory at Baku 1983 was a landmark, but his opponents were not in the front ranks of Soviet GMs and post-glennost, experienced Western GMs at last year's Grandmasters Association qualifier in Moscow were often outmanoeuvred by unknowns.

Moscow's latest event was the final selection tournament for the next GMA World Cup. It offered a remarkable \$100,000 in prize funds, and entry was limited to qualifiers from selection events and players in the previous World Cup series. The 42-man tournament was uniquely strong in depth: only one player was rated below 2500, the level of a high calibre GM, while 15 were 2600 and above, super-grandmaster standard.

The Russians dominated numerically and had the five top seeds, but the final results were the best ever for visitors to the USSR. Seven non-Soviets were in the top 12, while Britain's Jonathan Speelman, declared winner on tie-break ahead of four Soviets had a major triumph. Final scores were Speelman (England), Gurvich (Ukraine), Khalifman (winner of the New York Open), Ljajic (Yugoslavia) and Bariev (Loyde Bank) and Bariev (Hungary), de Firmian (US) and Chandler (England).

6%. Speelman and Murray Chandler qualify for the World Cup where John Nunn and Nigel Short already have places. In earlier successes, Speelman, 33, was a world championship semi-finalist last year and has won three olympic silver medals with the England team. Starting his chess career as a pure tactician, he has gained stature by blending technical skills with his natural game so that he can switch styles at will, outplaying weaker opponents positionally while stirring up complications against stronger rivals.

At Moscow he patiently won a difficult queen-rook endgame with an extra pawn against de Firmian, contrasting with the opportunistic tactics he used to beat Kasparov in the recent Imfolink-Thames TV chess tournament.

Differing chess styles and perceptions were also the theme in this week's game, played at Moscow between Canada's No. 1 and the reigning USSR champion, Spraggett.

White's rank openings where his pieces can slip at his opponent's centre from a distance. Vaganian countered by fainting to defend his central pawn bastion then, at move 11, exchanging pawns.

This plan left Spraggett with a pawn centre, but because his pawns were far back on the second and third ranks the middle squares became an open battlefield over which pieces fought for control. Vaganian targeted his queen and rooks on the central files and used his opponent's strategy to outflank the defences at c3 and g4. In a poor position, Spraggett blundered at move 40, the last move before the time control, and resigned when he saw that if 41 dxe4 Qxe4+ 42 Qg2 (42 Kf1 Qd4+ wins the rook) Qe1+ 43 Qe1 Qxe4 44 Qxe4 leaves White two pawns down.

White: K. Spraggett (Canada). Black: R. Vaganian (USSR). English Opening (Moscow 1899). 1 c4 c5 2 g3 Nf6 3 Bg2 d5 4

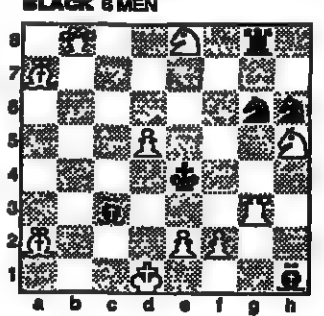
## CHESS

cx5 Nxd5 5 Nc3 Nc7 6 b3 (more active is d5 to meet e5 by 7 f4 or 6... Nc6 by 7 Bxc3+ bxc6 8 Qe2 9 Bb2 10 f4 Qe1 11 Nf2 exf4 12 gxf4 O-O 13 O-O Rd8 14 d3 Nc6 15 Nd4 (logical is 15 Bxc6 bxc6 16 Nd4 to attack Black's doubled pawns by Bg3, but Black would have compensation in White's weakened castled position) Nc6 16 Nd4 b6 17 Kh1 Kh8 18 Qe1 Na9 19 Nac3 Nd4! (now Black is clearly better, since White is too cramped to launch an effective attack).

30 Qg3 Qd7 31 Nd2 Rxc6 22 Qc2 B3 32 Nc3 Bc4 Rcd1 Bcd1 (White's c2 pawn is a weakness) 25 Rd2 Rcd3 26 Nd4 a5 27 Nxd4 cxd4 28 a3 Na6 29 Rc2 Nc5 30 b4 (loses a pawn, but if 30 Nxc5 Bxc5 and 31... Bc6 is hard to meet) exd4 31 axd4 Na4 32 Bc1 Bc4 33 Bb1 Bc1 34 Bc3 dxc3 35 Nxc3 Rxc3 36 Rb1 Nxc3 37 Rc3 Rxc3 38 Rxc3 Rxc3 39 Qf1 Qe4 40 Be4? (White had to try 40 Rcl, but Black should still win with his active

position and extra passed pawn) Rxe4! 41 Resigns.

PROBLEM No. 826



White mates in two moves, against any defence by W.H. Reilly. This puzzle stumped the great Capablanca (world champion 1921-27) for 15 minutes on a day when he solved a dozen other problems at a brisk average of 15 seconds each. Can you take up the challenge and beat Capablanca's time?

Solution Page XXIII

Leonard Barden

## GARDENING

### ANCIENT OAK CONSTRUCTION

Antique buildings and out-buildings, garages, granaries, games rooms, houses, barns for conversion to dwellings. All photographed, drawn and labelled, then carefully dismantled. Period buildings extended, refurbished or restored.

Phone 494192  
0273 494192

## PERSONAL

Authors Year book published double FT, Special Press of London, Green, London SW14 7DL.

Gardening Advertising appears every Saturday.

For further information Please call:

Genevieve Marengi  
071-873 3185

James Burton  
071-407 5632

**Little Wonder**  
PROFESSIONALS DEMAND LITTLE WONDER.  
SHOULDN'T YOU?

**P.M. HEDGE CUTTERS**

LITTLE WONDER ELECTRIC HEDGE TRIMMERS  
Available in 16", 24", 36" Blade Lengths.  
110 Volt, 240 Volt or 12 Volt.  
Rugged High Carbon Tool Steel Double  
Preprocessing Blades. Guaranteed to cut  
growth up to 1 1/2 inches.  
Dual Action Switches - One in each  
handle for safety.

**POWER PRODUCTS LTD**  
Unit 8, Birchbrook Industrial Park, Birchbrook Lane,  
Sharnbrook, Litchfield, Staffs. WS14 0DL Telephone (0543) 481 481







## BOOKS

# Best left to speak for himself

William Packer on publications inspired by Van Gogh's centenary

**A** HUNDRED years ago next month, at Auvers-sur-Oise to the north of Paris, Vincent Van Gogh died two days after shooting himself in the chest. He was 37. This of all anniversaries was sure to be marked in a welter of publications, for Vincent, so tormented and neglected in his lifetime, remains the most popular and accessible of the modern masters. Quite what good it all does is another matter. The story is well known almost to the point of tedium, and while the details of the earlier life have been much fleshed out by recent research, the effect is only to confirm what was previously inferred. As for the later years, his letters supply the most potent effective of autobiographies which, with the works to which they are so intimately bound, tell us all we ever need to know. With Vincent Van Gogh we face the same old problem: that the life too easily gets in the way of the life's work. That is not to say the artist's biography does not have its uses, but the more factual and straightforward it is the better. David Sweetman's exhaustive new study of Vincent's life, *The Love of Many Things*, is a curious combination of facts and virtues, simultaneously factual and speculative, serious and yet oddly vac-

**THE LOVE OF MANY THINGS**  
by David Sweetman  
Hodder & Stoughton £17.95, 391 pages

nous. Sweetman is no writer, his text too often as crass as a serial in a Sunday paper. "There was stunned disbelief at the first reports that an inadequately prepared French army had suddenly surrendered at a somewhere called Sedan." "Vincent unfastened his portfolio and spread out the drawings. Christpeels wondered what he was supposed to say." Even so, the book has its virtues with the family background and the general sequence of events, friendships, influences and crises conscientiously set out. Especially good is the account of Vincent's time as a missionary among the miners of the Borinage, in the Belgian coalfields, in 1878, just before he turned finally to art. It is a period often represented as of unremitting and abject failure in his religious vocation. Here it seems more positive than that, with a true heroism to be found in the compulsive, idealistic self-abandonment through recurrent nervous crises. The case for Vincent coming to his vocation as an artist, not by rejection but through the reconciliation of his religious and



'The Woodcutter', a chalk drawing of 1885 from the centenary exhibition catalogue of the drawings of Vincent Van Gogh at the Kröller-Müller Museum, Otterlo

creative impulses, intuitively recognised by the Reverend Pieter van der Grinten, to whom he turned for advice, is convincingly made. The book's title is adapted from Vincent's own writings - "I always think that the best way to love God is to love many things." More tautly written and half the size, it would be twice as useful. The picture-books, meanwhile, continue to appear. Most covetable of the latest crop is the two-volume catalogue of this summer's great centenary exhibitions in Amsterdam and Otterlo, of the paintings and drawings (Mondadori Arte de Luxe, distributed by Thames & Hudson, 336 and 282 pages, £58 each). Each volume carries several critical essays, and every single work exhibited is reproduced in full colour. The

catalogue of the drawings is especially useful, for they cover in the most close and intimate way Vincent's career as an artist from first to last. There has never been so large a show of them, and many have seldom been seen. Vincent van Gogh by Hans Bronkhorst (Weidenfeld & Nicolson £25) is a straightforward account of the life through selected works set out and annotated in their chronological sequence, with extracts from the letters as appropriate. The reproductions, too often flattened and over-glossy, are adequate rather than brilliant. The text is rather more interested in circumstantial details, both of the life and subject-matter, than in painting as painting. Pascal Bonafoux adopts a similar approach for his Van

Gogh (Barrie & Jenkins £18.95, 160 pages), which he prefaces with an extended critical essay and supplements with a skeleton catalogue of what he considers the essential works. Again the places in Vincent's odyssey as a painter supply the framework of the book, only here augmented by photographic and documentary material. Bonafoux makes copious but effective use of the letters. The design is more adventurous, the reproductions rather better. But in this quasi-biographical genre, Bruce Bernard's brilliant and pioneering edition of the letters, *Vincent by Himself* (Orbis 1985) remains supreme, with the works beautifully chosen and illustrated and the letters that relate to them left entirely to speak for themselves.

# Caught, hook line and sinker

A RIVER RUNS THROUGH IT  
by Norman Maclean  
Picador £11.95, 317 pages

**WE SHOULD** be grateful to Pan Books for bringing this little gem across the water. First published by the University of Chicago Press in 1976, it has come to be regarded as a modern classic, partly among lovers of good writing and especially among literate fishermen. The author, who taught English at the university for 45 years, started writing after turning 70. His students had included Saul Bellow and Philip Roth; his own work has resonances of Mark Twain's humour, Ernest Hemingway's lean prose and Robert Frost's poetry. Frost was one of Maclean's early teachers - but this listing of the names of great American writers who have touched or been touched by the author should not lead you to think that his work is artificial or pretentious. "In our family," runs the opening sentence, "there was no clear line between religion and fly fishing." This starts the first of three stories, two long and one short, in which the rivers and mountains of Montana form the physical landscape. The mental landscape is provided by partly autobiographical reminiscences of his Scottish ancestors in an earlier, rugged, more remote era. Maclean was a pioneer of the women. I dread to think what a contemporary feminist might have to say of the world here described. Let us say that this is not the America of thirty-something: this is the quality West. You get plains, and mountains, and rivers, and gamblers, but most of all you get true sons of the earth, at their happiest fighting, fishing, or logging. "The body and spirit suffer no more sudden visitation than the land of losing a big fish, since, after all, there must be some slight transition between life and death," says Maclean, a whopper just got away. "... With a big fish, one moment the world is unclear and the next it is clear. It has disappeared. That's all. It has gone. The fish has gone and you are extinct, except for four or half ounces of stick to which is tied some line and a semitransparent thread of a great deal of fishing line, a curved piece of Swedish steel to which is tied part of a feather from a chicken's neck." The time of which he writes was the end of the frontier years, the last in which north of America had mainly his own strength and skill to rely on in the effort to master nature. It is one of those books whose best bits you want to read aloud, following people around in it. You learn a lot about the world from Maclean's precision and passion of any thoughtful man aiming to convert a few simple physical actions into an obsessive art-form. It could as well be golf, or cricket, or jockeying; Maclean gives you, besides logging and fly-fishing, at the very least cribbage and poker and the tangle of the river on the other side of a thin partition in "walking a whorehouse." Of course he is also talking of the divide between the Great Plains and the Rockies, and, without crudely saying so, of the importance of family, religion, and the human spirit. "Eventually, all things merge into one, and a river runs through it," he writes. "I am haunted by waters."



Richard Hoggart: makes an example of himself

# Observers of life look back

**RICHARD HOGGART** is someone who goes in for strong uncompromising titles like *The Uses of Literacy* in 1957, one of the most influential books for students of the humanities in the post-war period. We learn here that it was originally called, even more uncompromisingly, *The Abuses of Literacy*. More recent Hoggart titles include *An English Temper: Essays on Education, Culture and Communications* (1982) and - a Shakespearean borrowing - *A Local Habitation*, the title of the first volume of Hoggart's account of his own life which appeared two years ago. It dealt with his orphaned, working-class childhood and formative years at Leeds University under Bonamy Dobson. The second volume continues this personal story through the war years and into the period after he was released from the army. Then Hoggart became a teacher of extra-mural studies attached to Hull University. were only private soldiers, we damn well weren't going to let ourselves be pushed around." Hoggart writes: "We ganged up to score the symbolic indicators of that status, and not only the more obvious ones such as the occasional bullying sergeant." Still, most of the time Hoggart the sociological pundit occupies a back-seat and lets Hoggart the sensitive observer of people and places do the driving. Richard Mabey, whose *Home Country* is also a personal account of life in Britain by a professional writer, seems blissfully straightforward after Hoggart. All he minds about is the countryside, which he describes in its varying moods with great ease and knowledge. He grew up in and around Berkhamsted ("... thoroughly colonised by the Greens") after the war. Young Mabey cannot wait to get away from it on his bike, an ancient Hercules inherited from his Dad, an accountant with a clearing bank, to trace the course of a local river, to explore the history of the area and check out the dates of arrival of migrating birds. "Wheatears came on the 12th of March, chaff-chaff on the 18th."

**A SORT OF CLOWNING: LIFE AND TIMES 1940-1959**  
by Richard Hoggart  
Chatto & Windus £14.95, 225 pages

**HOME COUNTRY**  
by Richard Mabey  
Century £14.95, 186 pages



Country lover Richard Mabey

For his new volume his title comes from a poem by Larkin, "To the Sea" (Larkin was the librarian of the university). The poem describes the antics of grown-ups on a seaside holiday, teaching their children to overcome fear of the sea by showing them what fun it is to splash about in it. It is an untypically defensive title for Hoggart and after one has read the book one sees why. He is writing, not about himself as he was in the pre-war past, but as he is now, a character in fiction with critical detachment, but as he is now - author, academic, husband, father and, in the final chapters, grandfather. There is a great deal in the book about nature, both in the army - his experiences in North Africa in 1942 as the officer in charge of a dangerous convoy mission can hardly be described as "clowning" - and in his academic role, but there is, too, a great deal about Hoggart as a member of a family. He deals with feelings we all share but are difficult to write about unashamedly. Even as the parents Larkin observed at the seaside were making buffoonish examples of themselves, the time has come to settle down in his own wood. By one of those extraordinary strokes of luck which always seem to be happening to him, he finds the very thing in Hertfordshire "awash with bluebells" with a For Sale notice pinned to a tree by the entrance. He writes: "I found I was already besotted by the place. I raised my bid and waited." Throughout the book Mabey communicates these rural enthusiasms to the reader with great zest and spontaneity. More power to his binoculars.

Anthony Curtis

# The not so lost race of the movie world

**T**HERE IS an old proverb that the screenwriter is the first person you have contact with on entering a Hollywood studio: he is the doorman. Nine decades of movie history have done little to pick him up and dust off his career status. (Or hers in the case of famed early practitioners like Anita Loos, Eleanor Glyn and Dorothy Parker.) As Ian Hamilton demonstrates in this well-researched chronicle, even when he or she was well paid - up to \$1500 per week back in the 1930s - the screenwriter was virtually powerless to shape movies. One reason was that he often worked in a chain-gang with six to ten other writers. Another, that his job usually ended rudely and abruptly on day one of shooting. Even when a screenwriter did leave his stamp indelibly on a movie, as Dudley Nichols did on John Ford's best work or Rob-

**WRITERS IN HOLLYWOOD 1915-51**  
by Ian Hamilton  
Heinemann £14.95, 315 pages

ert Riskin on Capra's - he lost the credit or kudos war. *Stagecoach* is forever a "John Ford movie." *Mr Smith Goes to Washington* has Capra trademarked all through it like a piece of sesame seed. The Hollywood writer is a semi-disposable animal. At best, he provides a diffident, unsung blueprint for the final work. At worst, he creates in order to give the star and director something to destroy. The best thing about Hamilton's book is the awareness it gives us of the protean nature of the screenwriter's task. In the years the book covers, he was required to be all things to all movie executives. He could be back on a bed of riches, like

P.G. Wodehouse or Aldous Huxley, and earn thousands for doing almost nothing. He could slave away twelve hours a day in a "writing pool." He could pen original ideas that would then be hijacked and changed beyond recognition (like Brecht on Fritz Lang's *Hangmen Also Die*). Worst of all, perhaps, like William Faulkner or Raymond Chandler, he could find himself re-tooling "inferior" authors' works for the screen. (Why? Because he needed the money.) Faulkner worked thus for Howard Hawks on Chandler's *The Big Sleep*; Chandler for Billy Wilder on James M. Cain's *Double Indemnity*. In both cases, alcohol and/or desperation became part of the work process. Hamilton cites the deathless occasion when a plot-flummoxed screenwriter wrote to Chandler to ask him who killed the chauffeur in *The Big Sleep*. Chandler replied

that he had no idea. The writer could also be - and this surprisingly was among the top jobs - a script fixer or "corpus ringer." Robert Towne (*Chinatown*) is famous in this role today. Back in Hamilton's remembered Hollywood, the man-in-demand doctoring ailing screenplays was Ben Hecht. Hecht earned a fortune and seldom claimed a credit. He worked on everything up to and including *Gone With the Wind*. In a sour moment, he also spoke one of the wisest words that should be skywritten today in the age of the so-called auteur. "A movie is never any better than the stupidest man connected with it."

I find it odd that Hamilton stops at 1951 at all. In Hollywood that year I traveled the town for top screenwriters and confirmed for myself a startling phenomenon. Far from being the lost race of movie

Nigel Andrews

# Fun with literary riddles

**HAYDN AND THE VALVE TRUMPET**  
by Craig Raine  
Faber & Faber £20, 498 pages

though he were skimming himself, and his hat as though scapling himself. Raine multiplies the examples and seems to reach, through the loving exactitude of his observations, to the heart of Dickens' queer and copious imagination. The two essays on Dickens and three each on Eliot and Stevens, are among the most valuable of the collection - original in their stance, extensive in their implications, and displaying intense familiarity with the oeuvre in question. But the author's range is wide, as wide indeed as the Eng. Lit. syllabus at Oxford University where he taught for years. He has fresh things to say about Ben Jonson, Dr. Johnson, Donne, Marvell, Coleridge, Hopkins, Kipling, Joyce, Auden, Betjeman, Golding, he is thoroughly at home with modern American poetry and, though he does not write about it separately, with 19th

century Russian fiction too. His tone couldn't be less academic, however. Though his judgements are as carefully considered, by and large, as an Oxford don's, his erudition is not so much exhibited as taken for granted as part of the ebullient work that should go into the writing even of a modest review. His addressee is Dr. Johnson's "common reader," and the emphasis of his prose is all on eloquence, clarity, liveliness and humour. Once or twice the humour is gained at the expense of critical sensitivity. For example, a too vigorous Anglo-Saxon scepticism is brought to bear on the intellectual style of Eliot Canetti; and in a generally delightful lecture, "Poetry,

Paul Driver

Today," Raine is unfairly rough with the poetry of Tony Harrison. His terse dismissal of Wilfred Owen's verse is also, I think, mistaken; there really is more to this poet than poetical. But otherwise it is the book's judicious clarifications of many a befuddled issue that are its chief recommendation. Raine doesn't conceal the fact that he has assiduously reworked his original material. Some of the "essays" are journalistic reviews dubiously dignified with a title like "Subject Matter: In Poetry" (an onslaught on Peter Porter) or "Poetry and Philosophy" (a disaffected look at Charles Tomlinson). Others, like the droll pair of radio and television columns, pretend to be no more than what they are. But, to borrow one of Raine's own metaphors, this book is the rich red beef, not the meat and two veg, of criticism. It stands, to change metaphor, as a monument in an age of ideology to purely literary pleasures.

Joe Rogaly

# Crime debuts

**Glenda Farrell.** Katherine John has to work on the organisation of her material, and she could learn a few things from the less ambitious Vivienne Wayman, whose *The Golden Duck* is a model of construction. Here the author is trading familiar ground: a confined neighbourhood in a remote place, an ill-assorted group of quirky characters, a sensible middle-aged female protagonist to give it all focus, a dramatic solution. Even though the protagonist is a painter, the landscape - North Norfolk Coast - is perhaps seen in too great detail. Do we have to know the name of every bird and weed and wildflower? There is a point where accurate visual information becomes distracting, the trees or the ragwort and seapurslane, in this case, obscure the forest. Still, this is an eminently readable work. Wayman's world is largely the comfortable middle-class

who speak the same language as the reader. Russell James, in his teasing thriller, has a first person narrator, apparently from an under-class, and this immediately creates a problem of language. To give his narration authenticity, James makes his protagonist use double negatives. "I like instead of 'as' or 'as if' but the effect is unconvincing. Each time an 'ain't' or a 'gonna' crops up, it seems forced, especially when the same person drops words like cognoscent and from time to time uses the subjunctive correctly. Purple, meditative passages clog the flow of the story, and the mystery enshrouding the narrator, deliberately left unclarified at the end, seems something of a fraud. Still, the narrative hooks you; and some set pieces are clever. Edna Buchanan is a prize-winning crime reporter for the Miami Herald. Her style alternates between terse and pseu-

do-poetic ("His steps, though cautious, were brisk as the rage and pain ebbed and fell away like a discarded garment"). In any case, Century has issued the book in such tiny print that, even if the story were a lot more inviting, no reader who values his vision would want to read beyond the first chapters.

**WITHOUT TRACE**  
by Katherine John  
Century, £12.95, 426 pages

**THE GOLDEN DUCK**  
by Vivienne Wayman  
Macmillan, £10.95, 383 pages

**UNDERGROUND**  
by Russell James  
Gollancz, £11.95, 716 pages

**NOBODY LIVES FOREVER**  
by Edna Buchanan  
Century, £12.95, 241 pages

William Weaver

## IMPORTANT ANNOUNCEMENT

FOR BUSINESS BOOK READERS AND ADVERTISERS

**The FT Review of Business Books**

WILL APPEAR AS A SPECIAL TABLOID SUPPLEMENT WITHIN THE FINANCIAL TIMES ON

**FRIDAY 22nd JUNE**

ORDER YOUR COPY NOW!

FOR FULL DETAILS PLEASE TELEPHONE WAI-FUNG CHEUNG ON 071-407 5758



## 31ST ANTIQUARIAN BOOK FAIR

PARK LANE HOTEL, PICCADILLY, W1

June 19-21

11 am to 8 pm (last day 11 am to 6 pm)

Under the auspices of

THE ANTIQUARIAN BOOKSELLERS ASSOCIATION

Telephone: 071-379 3041



## ARTS

## Saleroom

## Victorians put to the test

BR is hoping for a sound return, says Antony Thorncroft

ON TUESDAY evening Sotheby's will hold the best sale of Victorian pictures in ages. Some of the most famous images of the period - Lord Leighton's brilliantly vivacious "Dante in Exile," showing the severe poet surrounded by idle courtiers; George Elgar Hicks' "The General Post Office (one minute to six)," depicting the scramble, in 1850, to catch the last post in St Martin's-le-Grand; even the Burne-Jones family's own version of "King Cophetius and the beggar maid," come under the hammer of auctioneer Simon Taylor.

The sale is fortuitous. The prices of Victorian pictures peaked in 1981. Since then few good examples have appeared on the market and when they did, the removal to the side lines of some major buyers like Roy Miles, the British Rail Pension Fund and a couple of American businessmen, produced mediocre results. As in most markets, (with the exception of the Impressionists and modern art), there are only a handful of potential buyers for the £100,000 plus pictures.

Now demand will be well tested, and Sotheby's hope is that quality will re-ignite the interest of old collectors, like Andrew Lloyd Webber, and the Americans Kit Forbes and Fred Kock, and attract those connoisseurs who seek out masterpieces in every field. There are also now at least three serious Japanese buyers.

It is one of the big players from the late 1970s which has fuelled the sale with quality. The British Rail Pension Fund has been selling off the art it acquired between 1974 and 1980, a period when alternative areas of investment, from the Stock Exchange to property, looked decidedly lacklustre. So far it has disposed of over 1,600 works in three years from a collection which eventually totalled around 2,250 items. On Tuesday it is off-loading 16 Victorian pictures, including the Leighton, the Hicks, and important works by Water-

house, Lear, and Dadd, as well as 19 continental paintings of the same period.

All told the Fund invested £40m in art (out of a total investment portfolio valued in 1980 at £5.5b) and so far has recouped around £86m from its sales, with some of the most expensive items in its collection, notably the Old Master paintings, oriental manuscripts, and antiquities, (in fact art which cost it almost £20m to buy) still held back.

The bottom line is that, from its sales to date, the Pension Fund has achieved an annual cash rate of return of 14.6 per cent (after deducting costs) from its investment in art, which, after inflation, comes down to 6.5 per cent. It must be reckoned, so far at least, a successful gambit: most pension funds are happy to hit a real rate of return of between three and four per cent a year.

Of course if the money had been invested in the Stock Exchange when equities were in the bargain basement around 1974 the return would have been greater, but, as a bold venture in doom laden days, this, the highest investment in art ever attempted, has worked out surprisingly well, given that art should never be bought solely as an investment.

Obviously the Fund's policy of buying in many markets, and concentrating on the finest objects, has been the key to its success, along with judicious selling. Just as few predicted the boom in equity prices 15 years ago few would have expected the art market to take off quite so spectacularly in the last five years.

It is the boom in Impressionist and modern art which has contributed most to the Fund's success. It brought in over £30m from selling just 25 Impressionist pictures, at the peak of the market last year, pictures which had cost it only £3.4m to buy, a rate of return, after inflation, of 11.9 per cent. Chinese works of art have delivered almost as well, as have English furniture and



British Rail Pension Fund's 'The Garden of Idleness; Largesse and Richesse' by Burne-Jones

watercolours, although here little was spent in what were reckoned to be areas of limited appeal in the 1970s. The Fund is very happy with its purchase, and sale, of English silver, Hebrew manuscripts and Japanese prints. The worst performances have come from tribal art and Old Master drawings, although it hopes to redeem itself in this sector on July 2 when Sotheby's sells 30 drawings, including a £250,000 Claude, in London.

Victorian paintings are likely to produce a sound return for British Rail, adding another 56m to its take. They lack the international appeal that attracts big money. But Simon Taylor has placed very

conservative reserves on the top lots to encourage competitive bidding, and anticipates success. The Leighton, for example, carries a top estimate of £700,000 but should go for double. The Hicks, which was once owned by Evelyn Waugh, and was bought in 1971 by dealer Richard Green for £7,000, should double its £120,000 top estimate. Millais' portrait of Esther putting on her royal apparel is also ridiculously under-valued at around £70,000.

It needs to do much better since the Fund paid a steep £26,600 for it in 1979. By the same token two drawings by Burne-Jones for designs for tapestries on the theme of the Romance of the Rose, which

sold for £15,000 and £17,000 each in the heady days of 1979, are only estimated to fetch twice that on Tuesday - a return to make a Fund manager weep. Fortunately they will improve on that but not by as much as might have been expected when acquired.

The Fund bought its Victorian pictures near the top of the market and is selling them when the market is uncertain. A dispersal a year ago might have been a more guaranteed success. But since they are surrounded by such a generally classy collection of Victorian, and continental, art the Fund managers should be happy enough to open a bottle of champagne, if only non-vintage on Tuesday night.

## Paintings move walls

THE SHORT migration of the Courtauld Collection, from their old nest high above Woburn Square in Bloomsbury to a somewhat more capacious perch above the Strand, is to be welcomed on almost every count, not only for the sake of the works of art themselves but most especially for bringing back into public use a set of the most handsome rooms in London. For there, at the top of William Chambers' Somerset House, for so long reserved to the private bureaucratic mysteries of Births, Marriages and Deaths, was the first home of the Royal Academy. Climbing that vertiginous spiral staircase it is hardly fanciful to conjure up the ghosts of Rowlandson's boisterous crowd, egging gossiping and jostling its way into the private view of an early Summer Show.

But "Good Thing" that this move unquestionably is, I must confess to feelings about it that are a little mixed. There is everything to approve. The old galleries were too cramped to hold anything but a fraction of what there is to show, a problem only exacerbated by the wonderful Sellars and Yett a few years ago. And yet to walk out of the lift into those low rooms crammed with masterpieces was to be thrown into an intimate confrontation impossible elsewhere. Open to the public as it was, there was still a quality of the private treat to the Courtauld Collection, the secret and privilege of the knowing few.

These days of course the head-count is everything. From being, with the Wallace Collection, one of London's two best kept secrets, the Courtauld is now in the business of attracting every visitor it can get. Good luck to it: the old intimacy has been willingly sacrificed, and in time a renewed familiarity with these works, as they are in their more ordinary public circumstances, will fill the emotional gap. Pictures change strangely when they move walls, great pictures most of all, and we just need

time to get used to them again. This principal cuts both ways. It is not just a case of shoving the works up on the walls and leaving them, but rather of growing into the new home. The general disposition may be established in principle but it is unreasonable to expect it yet, or ever, to be absolutely definitive. Any objection now is merely a marker for the future. Certain things, such as pictures raked to catch the light and make them invisible, or simply hung too high, are irritating enough but soon put right. More serious is the apparent waste of one of the main galleries.

The Courtauld is, of course, a teaching institution within London University, pre-eminent in the post-graduate study in the history of art. Clearly that didactic role is to be extended. The principle is fine, but if it means that the splendid Great Gallery on the top-most floor is always to be cluttered up with the fussy screens and cubicles of simple expository displays, approval must be qualified. This is potentially one of the great exhibiting spaces in London. Special shows are promised, including a recreation of one of those Academy Summer Shows, densely hung from below the line to the sky. We shall see.

William Packer



The Courtauld's Modigliani nude, now at Somerset House

## Radio People with problems

RADIO 1's programmes about current problems like drugs and sex, with advice at the end of a telephone-line, have always seemed admirable to me. Radio 2 now tiptoes into this area with *Focus for Thought*. I have heard 12 of these little confessions by young people with troubles, but they are not in the same league.

They sound too like carefully prepared scripts. A boy said of his grand-dad's death: "Modern technology had robbed it of any humanity." A girl who left home and took to drugs thought, "People have a self-destruct button within them." I can't believe these were spontaneous observations.

Brief comments follow each complaint, mostly religious. I suspect the object is partly to let young people hear themselves on the air. Radio 2 is not in general a young person's programme; this may alert older people to what distresses the young. *Focus for Thought* goes out, as part of the Chris Stuart programme, at 6.45 am

Radio 4 has also begun a series about people with problems, *No Longer Known At This Address*. In 1989, almost 160,000 people were reported missing. Most of them were soon back, but there were still 1049 untraced. On Thursday, the first of four programs presented by Hugh Pryor-Jones dealt mostly with statistics and with the records, or absence of records, kept by authorities.

Specific instances follow - a boy thumped by his dad, a husband whose car was found with his property, but not himself, in it - were like little paragraphs down-page in local papers. Not all of them would reach that level - people

unable to meet debts, poll-tax refugees, deserters, the 70,000 wanted for crime or suspicious, this innumerable illegal immigrants. They may be on the Home Office computer of missing or wanted, no more than that. It will be interesting to hear what the other three programmes can tell us, what they can do for us.

There was distress on a lighter level in Radio 3's drama offerings of the week. Saturday's tiny joke by Heinrich Boll, *Herr Doktor Murke's Collected Silences*, told of a radio producer who had to cut every mention of "God" from a talk and insert "that higher being whom we all revere." As a modest revenge on the speaker, he also cut out every long pause and broadcast them as three minutes' silence.

In Tuesday's *Show Me the Way, Ugly Angels*, by Nigel Baldwin, Jack, a lecturer at a second-class Polytechnic, is persecuted by his student girlfriend Sonia to try a hypnotic regression into a previous life. His separated wife Frances is made pregnant by the head of his department. As if this were not enough, he is also writing

the script for a pantomime that includes the two "ugly angels", so he puts his worries into their dialogue. I thought it superficial, but Radio 3 evidently likes this writer, for next week we have a repeat of his *The Best Scrophone*.

On Friday, we had a welcome repeat of David Pownall's *Music to Murder By*. Mrs Esterpe, an American musicalologist visiting Gesualdo's castle, is assailed by the English critic Philip Heselton, who conjures up the great Gesualdo and his first wife, Maria d'Avanzo. The talk is partly of music, in which the American is less expert than she thinks, but also about Maria's murder in 1580, for her affair with Fabrizio Caraffa, Duke of Andria, who also appears.

Mrs Esterpe is made to witness all this, which she believes amateur theatricals. I too am a murderer, Heselton says. I killed Philip Heselton to become Peter Warlock, and it is due to me that you, Carlo Gesualdo, are remembered. In a record of Warlock's *Capriccio* a violin is out of tune. Caraffa produces a new B string. I can give you music to murder by, Gesualdo says - and Mrs Esterpe is ritually strangled.

It was great fun. Mary Ellen Ray was Mrs Esterpe, Eric Ridd, Gesualdo, and Stephen Boxer not only played Heselton but composed such music as was not by Warlock or Gesualdo. Guy Vasson directed.

B.A. Young

## HANS HOFMANN (1889-1966)

AN EXHIBITION OF PAINTINGS AND WATERCOLOURS  
"I began to see beyond the violence of the colour dissonances to the power, affirmation and the pictorial intelligence that informs them... I welcomed Hofmann's range, his use of blacks, his stacking, his passionate way of making colours sing. Photographs of Hofmann show an old man full of life, smiling, attacking a painting with gusto. I quote his art with Benet's music, the arbitrary and fierce protest into uniform order..."

Sir Anthony Caro April 1990

14 JUNE - END JULY

CRANE GALLERY

171a St. Marks St. (1st Floor), London, SW11 (2 mins from Harrods)  
Tel: 071-235 8464/8128 Fax: 071-584 3643  
Mon-Fri 10-6, Sat 10-4  
In association with Crane-Kalman Gallery

## The historic churches, lively halls and buildings of the City of London invite you to celebrate the

## CITY OF LONDON FESTIVAL

8-25 July 1990

The Programme includes:

Verdi's Requiem in St. Paul's Cathedral,

Tippett's 'A Child of Our Time' in Southwark Cathedral

Carl Fleischer International Viola Competition at the Barbican

An Early Evening Organ Recital series,

A Bach Ensemble/Josiah Rifkin series,

A John Lill Series, London Winds/

Noriko Ogawa, and I Solisti Veneti

Alan Price, Helen Shapiro,

Humphrey Lyttelton, Passend Roof

Orchestra, Chris Barber and Britain's

biggest Dixieland Band

Roger McGough, David Kosoff,

Janet Suzman, Barbara Leigh Hunt,

Richard Pasco and Carol Ann Duffy

Good Company present 'The Peppys Show'

based on the Famous Peppys Diaries

For details on these events and many others ring

071-248 4260

for your FREE Festival Brochure

City Festival Box Office, St. Paul's Church-

yard, London EC4M 8BU.

10 May - 8 July

## Barbican Art Gallery

LEVEL 5, BARBICAN CENTRE, SILK STREET, LONDON EC2  
Tel: 071-588 4141 (EXT 306) INFORMATION 071-588 3023

Two Exhibitions

## The Pursuit of the Real

British Figurative Painting from Sickert to Bacon

'This is all big-league stuff...'

JOHN RUSSELL TAYLOR - THE TIMES

## Malczewski: A Vision of Poland

'The vision of Jacek Malczewski (1854-1929) will flood into the British imagination.'

NEAL ASCHERSON - THE WORLD OF INTERIORS

SUMMER EXHIBITION  
'THE PEN AND THE SWORD'  
Writing & Fighting at Home & Away  
IN PERIOD ROOM SETTINGSW. R. Harvey & Co (Antiques) Ltd,  
5 Old Bond Street, London W1X 3TA  
Telephone: 071 499 8385

Until Saturday, June 30th

Daily except Sunday, from 10.00am to 5.30pm

DAVID HOCKNEY  
25 Years of  
Printmaking  
7th JUNE - 7th JULY

£5.00 CATALOGUE AVAILABLE ON REQUEST



## CCA GALLERIES

8 Dover Street London W1X 3JF

Telephone: 071-499 6701 - Fax: 071-499 3555

## BERKELEY SQUARE GALLERY

21A BRITON STREET, LONDON, W1X 7DA

Telephone: 071 493 7939 - Facsimile: 071 493 7798

## WHAT IN THE WORLD IS GOING ON?

Find out every Saturday 7pm. The World This Week. World affairs on Channel 4.

4







## SPORT

## World Cup soccer

## Referees are on a winning streak

THE referees are winning. By Thursday night the footballers had managed 34 goals between them in 16 games but the men in black had managed 37 yellow cards, or cautions, and three red ones for sendings off. The effect has been immediate: boots have stayed down, players have stayed upright and mouths have stayed shut.

The referees have followed FIFA's instructions to eliminate tackles from behind, which almost inevitably mean the tackler kicks the player as well as the ball, and the "professional" foul, punishing them with yellow cards, or worse.

When Hassan Hassan burst through the Dutch defence Ronald Koeman shoved him from behind, calculating, in the cynical logic of the professional foul, that a free kick from 30m out would be better for his team than allowing the Egyptian a clean run at goal. But Hassan tried to stay on his feet, finally losing his balance in the penalty area. The referee decided to let a penalty fit the crime and Egypt scored the goal they deserved.

The highlight of the first week was Italy's victory over Austria at the Olympic Stadium in Rome. The Austrians came for a draw and packed their defence, the Italians unpicked it with brio.

They pulled the Austrians all over the place, stretching their flanks with the fast, direct running of Paolo Maldini (notionally a defender), Roberto Donadoni, Gianluca Vialli and Fernando De Napoli or breaking through the centre with intricate moves orchestrated by Giuseppe Giannini and, again, Vialli. Their defence effortlessly stifled any Austrian sorties.

But, the Italians have a weakness and it is a potentially crippling one. They have great difficulty scoring goals. Against Austria they never lost their heads and eventually scored in the second half through the head of Salvatore Schillaci. The great bowl of the stadium filled with joyous noise, except for the faint where the Austrian fans sat.

The same diffidence in front

of the net marked the Italian's second 1-0 win, over the USA. After a dazzling early goal from Giannini, the Italians slipped into autopilot when Riccardo Ferri cleared off the line from Peter Vermes.

Italy are not the only international side to lack a pure marksman. Several teams have played imaginative creative, soccer only to betray themselves in front of goal. The USSR in both their games and Uruguay, who even squandered a penalty kick against Spain, have been the greatest offenders. Only three players with top teams in Italy satisfy

## Peter Berlin on why there is creative play but few goals

the traditional test of the marksman: a goal every other game over a lengthy period. They are: Rudi Voller of West Germany, Carca of Brazil and Gary Lineker of England.

Italy had Paolo Rossi in the 80s. Voller, who had hit 33 goals in 62 internationals before Italy, did not score in his first game, but then he did not need to. West Germany crushed Yugoslavia 4-1 in Italy. The Yugoslavs are a highly talented team but the Germans overpowered them with foot-

ball of the highest class; relentless, well organised but imaginative too. It was extremely impressive even if it seems at times like pulling the wings off a butterfly.

The rest of the opening matches presented a pleasant spectacle as play ebbed back and forth, and often merely sideways, in well-wrought passing movements of little purpose. Except for Czechoslovakia's intelligent dismemberment of the USA they were pale imitations of the best Italy and West Germany managed. Brazil were indebted to Carca for their 2-1 win over Sweden. He effortlessly added two goals to his tally of 25 in 48 internationals. For Sweden, Tomas Brodin, a baby-faced 20-year-old, has a cool aplomb which suggests that he could soon join the ranks of great scorers.

After five days of artistic football the England-Ireland match game as a shock. The press corps reacted like art critics who turn from admiring the roof of the Sistine Chapel to find a hooligan with a spray can at work on the walls.

The first two matches in the hooligan group - France confirmed that in spite of the referee's clampdown fortune still favours the brawny, Egypt and the Republic both wrestled draws from more fancied opponents with relentless tackling and physical contact at the very limits of what the referees would allow.

Egypt defended ferociously,



What a scream: Giannini scores against the USA

they seemed to take particular pleasure in gun-tackling the great Ruud Gullit who had an off night, and attacked with verve and flair. They thoroughly deserved their draw.

The press, both in Britain and abroad, reacted with horror to the disjointed, bruising, skillless 1-1 draw played on a wet, windy night in Cagliari. They were unfair to the Irish who are acutely aware of their strengths and weaknesses and

play accordingly. The Irish squad is stacked with midfield players, all of a similar type, quick, tough and neat rather than flamboyantly skilful.

Coach Jack Charlton is less well provided with central defenders and attackers and fills those positions with bruisers. The Irish strategy is to create by destroying, to smash the other teams creative rhythm, reduce the match to chaos and feed on the scraps. The better

it works the less attractive the spectacle. The English, accustomed to this sort of thing, were nevertheless ground down by it. Towards the end of the game they gave the appearance of a team at the very limit of their physical and mental resources. Yet so well did Ireland judge their relentless aggression that not one of their players was cautioned.

The English are neither fish nor fowl. They want to imitate

the tactical sophistication and fluid positional play of the Germans and Italians and the team is packed with skilful players. But even though they have two wings they do not fly and cannot break free of their inbred tactical rigidity.

Against Ireland their sole strategy was to hit early balls over the lumbering Irish defenders so that Lineker could expose their lack of speed. He struck once after

eight minutes with a typical scorer's goal reacted quicker than any Irish defender to his own mistake to score. After that the wind and the Irish wrecked the English strategy and they failed to find another. Lineker on his own makes England contenders. He is the most prolific of scorers with 31 goals in 50 internationals before the World Cup.

While the Irish epitomise round, mean-spiritedness on the field their huge band of travelling fans embodies generous friendliness off it. When the English fans at the first game were almost all young men, many of the Irish were older and many were women.

Most of the English seem to have made their way across Europe the long way. Many roughed it. Those who could made their way to far-flung camp sites, some just tossed wherever they could. Nobody had thought to provide any facilities for them and all that was waiting when they arrived were local toughs, keen to prove themselves, and carabinieri armed to the teeth and keen to prevent any such thing.

In spite of all their hardships a small minority, in T-shirts which proclaimed their extreme right-wing politics, were still spoiling for a fight with any available foreigners, especially if any camera crews were present. Their embarrassed compatriots at the match tried a more diplomatic approach with a bedraggled chorus of "Italia". They could well improve their repertoire by listening to the Belgians who give a rousing version of the EC theme tune, the last movement of Beethoven's Ninth Symphony. After an eccentric excursion by Choi In-Yung, the South Korean goalkeeper, had allowed Marc DeGryse to lob Belgium into the net, the fans burned with great vigour. An ode to Choi ended.

The referees have tried to allow creative players to compose football at its joyous best. The problem has been that many teams have been unable to climb the mountains with a goal. Cameroon spent most of their first two matches defending desperately, yet became the first team to qualify for the second round after Roger Milla, their ageing lion, pounced twice for two stunning goals which beat the Romanians and eclipsed all the brilliance of their stars Marus Lacatus and George Hagi. Although Milla is unlikely to play in the World Cup final, the chances are that Carca, Voller or perhaps even Lineker will.

## Cricket

## The spirit in the Tavern

ety does not suit them.

That is why I had been dreading the anniversary match. I was afraid it would be jolly. The fact that it was a failure, with only a few spectators there, dotted around Lord's like specks of dust on the seats, meant that I need not have worried. The Taverners' opponents were an MCC XI of retired professionals such as Bobby Simpson, Colin Cowdrey, Brian Close and Clive Radley, who played calm, sometimes positively dour,

cricket.

The Taverners watching the game preferred to talk about the past and the future of their charity under the no-nonsense leadership of Captain Anthony Swainson, its director. His 18 years at the helm have transformed the Taverners from a mildly charitable gentlemen's club based in the Home Counties to a high-flying charity raising more than £1m a year.

Public figures are recruited as members, to attract sponsors for the

matches. At the anniversary match the Taverners' team included Tim Rice (president and spin bowler), David Frost (wicketkeeper), Lord Stalford (opening bats) and Willie Rushton (slow, drifting bowler).

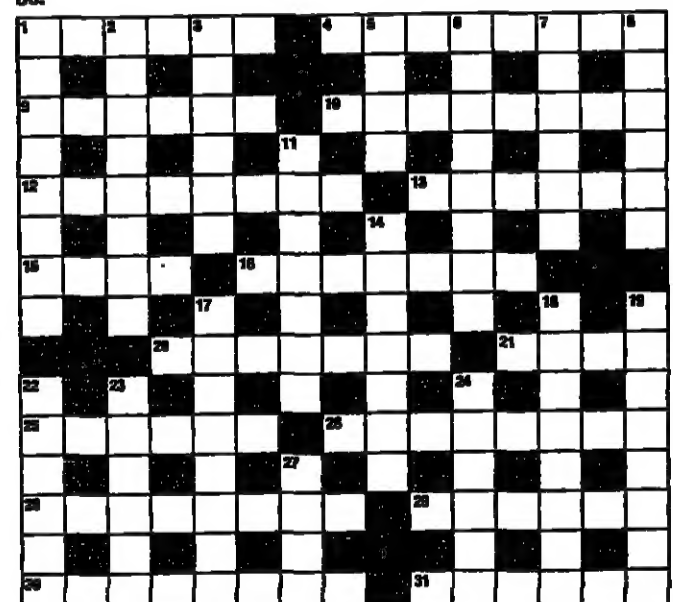
The sponsors were Guinness and their representative, a small, smart man with a crooked nose, like a leprechaun on hard times, handed the keys of a minibus for the handicapped to a man from the Alice Hoffman Day Centre in Noisden, North London.

The Alice Hoffman man could not open the minibus, his efforts to do so set off the theft alarm and he dissolved into giggles. It fitted the spirit of the Taverners perfectly.

Teresa McLean

## CROSSWORD

No. 7,265 Set by CINEPHILE  
Prizes of £10 each for the first five correct solutions opened. Solutions to be received by Wednesday June 27, marked Crossword 7,265 on the envelope, to the Financial Times, 1, The Strand, London WC2N 2LX. Solution on Saturday June 30.



- ACROSS**
- Coat on minerals causes upsurge (6)
  - Oxygon with the material is incandescent (5-3)
  - Strap, round the bend, crazy (6)
  - Accommodation for club without electricity or steam (6)
  - A little bit soft to object (6)
  - Garment for bishop and bloodsucker (6)
  - Permanence in an abuse? (4)
  - Ask for tales of demons? (7)
  - Campaign to give companies assistance, say (7)
  - Inform others it can fly (4)
  - Straw divided by water (6)
  - Rely wrongly, keeping insecure foundation, on Greek hero (8)
  - Revolver wound? Gunners are back and ready (8)
  - A lot of signs, maybe 12, back to 1 across (6)
  - Sacred area in Edinburgh (8)
  - Parcel for boat costing a lot of money (6)
- DOWN**
- Epitaph on gym among young children displays trivia (8)
  - Hold back - no play, bad weather (8)
  - Rank - was boss of the yard (6)
  - Opening that sounds complete (4)
  - Protective, yet ultra-revolutionary (8)
  - The poor find climbing difficult (4,2)
  - One behind another in merit and eminence (6)
  - Something wrong with limbs he put right (7)
  - Clearing solvers of seductive look (4,3)
  - More ready in the wings? (6)

**Solution and Winner of Puzzle No. 7,253**

**ACROSS**

- DOWN
- DOWN
- DOWN
- DOWN
- DOWN
- DOWN
- DOWN
- DOWN
- DOWN
- DOWN
- DOWN
- DOWN
- DOWN
- DOWN
- DOWN

**DOWN**

- DOWN
- DOWN
- DOWN
- DOWN
- DOWN
- DOWN
- DOWN
- DOWN
- DOWN
- DOWN
- DOWN
- DOWN
- DOWN
- DOWN
- DOWN

## TELEVISION &amp; RADIO SATURDAY



Hooley Henley: 150 years of the Henley Regatta is on C4 at 5.30pm

- CHANNEL 4**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 5**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 6**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 7**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 8**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 9**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 10**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 11**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 12**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 13**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 14**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 15**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 16**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 17**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 18**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 19**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 20**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 21**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 22**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 23**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 24**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 25**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 26**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 27**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 28**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 29**
- 12.00 am Playboys: 7.00 Muppet Babies, 8.15 The 1.5 from Manchester, 9.00 Trooping the Colour, 12.15 pm Weather.
- 12.15 am Grandstand featuring 1989 GOLF US Open Championship, 1.30 News, 1.50 Motor Racing (coverage of the Le Mans 24-hour race), 2.00 Tennis (Round 1 of the Wimbledon Championships), 2.30 Motor Racing (coverage of the Le Mans 24-hour race), 3.00 News, 3.30 Show Jumping (The Royal International Horse Show), 4.00 News, 4.30 News, 5.00 Regional News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.
- CHANNEL 30**
- 12.00 am Playboys: 7.00 Muppet Babies,